STATE OF CALIFORNIA

MEETING OF THE
CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Tuesday, April 27, 2004
Department of Consumer Affairs
400 'R' Street
Sacramento, California

MEMBERS PRESENT:

VICTOR WEISSER, CHAIR
NORM COVELL, VICE-CHAIR
PAUL ARNEY
JOHN HISSERICH
BRUCE HOTCHKISS
GIDEON KRACOV
ROBERT PEARMAN
JEFFREY WILLIAMS

ALSO PRESENT:

ROCKY CARLISLE, Executive Officer
LYNN FORSYTH, Administrative Staff

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P R O C E E D I N G S

CHAIR WEISSER: I'd like to call the April 27, 2004 meeting of the Inspection and Maintenance Review Committee to order. I want to thank people in the audience for attending the meeting, and what we'll do first is just go down the line from Mr. Arney rightwards and introduce ourselves so we have a record of who's here.

MEMBER ARNEY: Paul Arney, (inaudible).

MEMBER HISSERICH: I'm John Hisserich from the Los Angeles area.

MEMBER KRACOV: Gideon Kracov, Deputy Los Angeles City Attorney, public member.

VICE-CHAIR COVELL: Norm Covell, Pollution Control Officer for the Sacramento Metro Air Quality Management District (inaudible).

MEMBER WILLIAMS: I'm Vic Weisser, the Chair of this committee.

MEMBER WILLIAMS: Jeffrey Williams.

MEMBER PEARMAN: Robert Pearman.

MEMBER HOTCHKISS: And Bruce Hotchkiss.

CHAIR WEISSER: Very good.

– o0o –

The first order of business is the approval of the minutes for the meeting of March 24th, 2004. Have you all had an opportunity to review those minutes? Are there any suggestions for changes? May I hear a motion for adoption of the minutes?

MEMBER HISSERICH: I'll move to adopt.

VICE-CHAIR COVELL: Second.

MEMBER WILLIAMS: Mr. Hisserich moves, Mr. Covell seconds. Any discussion? Hearing none, all in favor please signify by saying aye.

IN UNISON: Aye.

MEMBER WILLIAMS: All opposed? Hearing none, the minutes are adopted.

— o0o —

Now, the next order of business is a report from our wonderful executive officer Rocky Carlisle. Rocky.

MR. CARLISLE: Thank you, Mr. Chairman. There's a lot of information that we've covered in the last month. First item is we've actually completed the office relocation to this building, and I've got to tell you it's been a godsend. We've got a lot of support from DCA. We actually have mail now. We have

P.C. support so it's been a lot easier to conduct the day-to-day business for the committee.

With regard to the information that was requested from the Bureau of Automotive Repair last month, I wanted to cover some of the responses we've received in the last week.

First thing, the committee requested a copy of the 2000 report for what was referred to as missing vehicles for directed vehicles to test-only stations, and that wasn't a formalized report. What that evolved into, if you will, was a piechart. You have a copy under section two of your binder. And that was a snapshot in time; it was one month's worth of directed vehicles and they looked at these vehicles for a period of 90 days to see what happened to them.

And just real quickly if you'll look at the chart, you can see there was 82,043 vehicles selected; 58,000 were actually certified at test-only, that's almost 71 percent. Some of the missing vehicles, though, there were 2,000 that received a DMV registration with no certificate at all; it wasn't done at test-only, it wasn't done at test-and-repair, it was just bypassed by DMV evidently. There were 2,857 received a non-operation certificate. There was

almost 3,500 that were purged by the DMV that were either junked or sold out of state. There was another 5,000 approximately vehicles that were not certified but the people did pay the fees. And there was 10,400 that they just didn't get certified, they didn't get tested, they didn't registered or anything. So the bottom line, there are a significant number of missing vehicles, but the Bureau of Automotive Repair has no authority to enforce the registration process.

As a result of that piechart, the California Emissions Testing Industries Association, CETIA, did an analysis and published their March 2001 newsletter, of which you have a copy. Subsequent to that, the Bureau of Automotive Repair wrote them a rebuttal and there were some concerns about the analyses that were done, but all in all, BAR has continued to do some analysis, and I think in part it reflects what (inaudible) found in their report that you received last month that when you finally get down to the final analysis, very few vehicles are missing. I believe it was down to 1.2 percent or something like that that didn't get re-registered.

CHAIR WEISSER: One point two percent is a small number, but you multiply that by 23 million vehicles –

MR. CARLISLE: Yes.

CHAIR WEISSER: – you're talking real emissions potential lost.

MR. CARLISLE: Right, but it boils down to the lack of authority on the part of BAR, they don't have any authority to enforce DMV registration.

CHAIR WEISSER: I wonder if we could ask you to do some research with the highway patrol and the Department of Motor Vehicles, Rocky, to find out what programs they have in place to catch these sort of scofflaws.

And I see Mr. Amlin's hand raised in the audience. Perhaps I could ask you, Dave, to walk up to the microphone and identify yourself and share what information you have.

MR. AMLIN: David Amlin, Bureau of Automotive Repair. I don't know if you saw but there was some news release. Essentially, I think it's become a revenue issue. Typically this gets addressed when it becomes a revenue issue, and there was some news play on this and apparently the highway patrol

has been directed to go ahead and crack down on unregistered vehicles.

They even have set up a hotline number, an 800 number for people to call in and go ahead and rat out somebody who's running out-of-state plates so they can go ahead and take some kind of action. So I think just through our budget woes and in an attempt to go ahead and catch up on revenue we're getting some effect of registration or unregistered vehicle compliance enforcement at this time, luck as it is. I guess that's the one upside to a poor budget time.

CHAIR WEISSER: Thank you, Dave. I wish in the future you'd use a term other than 'rat out' please for a citizen doing his duty to correct that.

Mr. Hotchkiss.

MEMBER HOTCHKISS: In line with that, Dave, I was alerted to that when a friend of mine said go to the CHP website, which is www.chp.ca.gov, and they have a click-on link there that's called Cheater's Crackdown, report out-of-state registration violations, and you go to the website and you fill in the license plate number, the state it was issued in, the time and date you saw the vehicle, the make and model, color of the vehicle, and any other comments

about it. And it does talk about the economic aspect of the whole thing, that we are losing essentially millions of dollars the state is losing because of vehicles that are operated in California, registered outside of California.

And I know a public speaker at the last meeting had brought up this very issue, so it's very timely that CHP has introduced this, and hopefully in our budget tight times maybe we will get some revenue out of it.

CHAIR WEISSER: Do you know if there is a bounty attached to the turning in of these desperate criminals? I'm sure that would increase the turn-in rate. Any further comments by any members of the committee?

I actually view this as a serious issue. My bet is that these vehicles tend to be much higher polluting vehicles than the average fleet. It hurts California in terms of air quality, it hurts us of course in terms of revenue, and it hurts the industry in terms of opportunities for them to generate business that's appropriate. Thank you.

Please continue, Rocky.

MR. CARLISLE: Okay. I might also add that on April 16th the ARB and Bureau of Automotive Repair released the program evaluation report, which everybody has a copy and there's also copies on the back table for the public that wants copies of that report.

CHAIR WEISSER: Rocky, you've put that report up on our website?

MR. CARLISLE: That report is on the website, yes.

CHAIR WEISSER: Rocky, just for clarity, the report is relatively small and relatively easy to read, but I'm assuming that there is gobs and gobs of data that are backing up the conclusions represented in this draft report. Have those been issued yet, are they available to the public or to this committee in some sort of coherent package?

MR. CARLISLE: BAR is working on a technical support document, BAR and ARB, and it's going to be ready no later than the May 12th meeting we're having with the ARB and BAR. The subcommittee is meeting, Jude Lamare and Jeffrey Williams, to discuss data, and I understand it's going to be (inaudible), and I did talk to them yesterday about that.

CHAIR WEISSER: Thank you. We'll go into this in a little more depth this afternoon, I assume this afternoon when we reach that part of the agenda.

Do you have anything further to report, Rocky?

MR. CARLISLE: Yes, quite a bit actually. Other questions raised were budget and staff issues on the part of BAR. BAR provided some responses.

For example, in the Sunset Review pages 18 to 23 gives you an outline of the income and fee schedules, for example, for the Bureau of Automotive Repair and some of the costs.

In addition, there's a CalSTARS projection, if you will, of the BAR budget for February 2003, it's dated February 2003, and this was one of the issues that the committee brought up last month, they didn't understand all the abbreviations and acronyms. In section eight of your binder you have a set of definitions from the budget office.

And there's a lot of line items here, but the bottom line is that one of the questions was how much goes to the various agencies, and to give you an idea, out of the $92,714,000 budget, this is only for the VIRF, about $18 million goes to the Department of

Consumer Affairs for various support functions, and we can talk about that in subcommittee meetings in more depth.

CHAIR WEISSER: I'm confused. Where do you find that number?

MR. CARLISLE: For example, the line items.

CHAIR WEISSER: Where are you precisely, Rocky?

MR. CARLISLE: Okay. That's where it says Bureau of Automotive Repair, it's right after page 23 of the Sunset Review in section two.

CHAIR WEISSER: Rocky, if you could repeat what you said now that I have the proper page.

MR. CARLISLE: Okay. This first sheet on CalSTARS is actually the VIRF. That supports the Smog Check functions. The HEPRA supports the CAP functions, that's the second page. But essentially out of that $92,714,000 you've got about $18 million going to the Department of Consumer Affairs for various things. For example, if you'll look at line 402 you have consultation and professional services external – I'm sorry, that doesn't go to DCA. But 427, indirect costs go to the Department of Consumer Affairs. Line 427.

42403 is the first line item that goes to DCA, that's a little over $3 million. That's for data processing, the Office of Administrative Services. Line item 427 is indirect distributed costs, the administration, the director's office, legal department, that type of thing.

CHAIR WEISSER: Do you know how those are allocated?

MR. CARLISLE: It's called pro rata. I don't know how it's calculated.

CHAIR WEISSER: It's all pro rata.

MR. CARLISLE: Yeah. Most of this is pro rata.

CHAIR WEISSER: Well, these are areas I guess the committee that's involved in the budget will want to delve into very carefully.

Are there any monies that are collected in these areas coming from either of these two funding sources that are going back into the state general fund for any purposes?

MR. CARLISLE: Yes. If you'll look at a couple of pages, I've got a printout from the Governor's budget and it outlines a couple of things. For example, 2002/2003 budget, if you'll look under

line 0421 that talks about the vehicle inspection and repair fund –

CHAIR WEISSER: I'm not sure what page you're making reference to.

MR. CARLISLE: Okay. It's three pages over from where you were, it says page 60 in the upper left. These are copies out of different documents.

CHAIR WEISSER: Got it, okay.

MR. CARLISLE: Okay. If you notice, just the beginning balance was $106 million –

CHAIR WEISSER: Where would I notice that, Rocky?

MR. CARLISLE: That is right under line item 0421 that says "Adjusted beginning balance," and under the 02/03 budget is $106 million. Okay.

If you drop down, you'll see there's a subtraction of $100 million that went to the general fund. That was for the 02/03 budget.

The 03/04 budget there were $14 million that went to the general fund. And on target for this year, which hasn't been passed yet, the 04/05 budget, not this year, is $200,000 they anticipate taking from the BAR budget and putting into the general fund.

MEMBER HISSERICH: Excuse me, Rocky. Where it says the 200,000, it just says to the Athletic Commission Fund?

CHAIR WEISSER: That's because they need fast people to run up next to the cars —

MEMBER HISSERICH: I mean, that's not the general fund.

MR. CARLISLE: You're right, it does say that.

CHAIR WEISSER: Thank you for catching that, John. Of course, every state agency that's had fund balances of one sort or another over the past few years has been subject to (inaudible) to the state general fund that are required by law, by statute and court decision to accrue interest and be returned to the funding source at some later specified date. That's kind of an interesting thing to the athletic commission, and I'm glad there's a code reference. We will, of course, need to find out what that's about.

Please continue, Rocky.

MR. CARLISLE: Okay. Another issue was about repair costs and the average repair of CAP, so what I did, I printed out a copy of the executive

summary for the first quarter of 2004, and if you go to the second page of that —

CHAIR WEISSER: And where would we find this?

MR. CARLISLE: These are all in sequence in section two of your report. That itemizes average repair costs for CAP repairs at $314 per vehicle.

CHAIR WEISSER: And that compares against the average repair cost afforded by all consumers of approximately $180 or $200.

MR. CARLISLE: Yeah. If you look at box 11 on that same page, you'll notice that statewide the average is $175 in repairs, and then it breaks it down by enhanced versus non-enhanced. And below that it gives you the various station types such as Gold Shield, regular test-and-repair, and I'm not quite sure what 'other' is.

The other question asked was, what's the cost effectiveness and what's the reduction as far as CAP.

CHAIR WEISSER: Rocky, could we just back up for a second for this average cost?

MR. CARLISLE: Okay.

CHAIR WEISSER: One issue that I'd be interested in exploring is why the average repair cost is relatively low in California compared to that which we see in other states, which can be as much as $100 or $150 higher. I received some data associated with a Colorado program or an analysis that they did where the estimated repair cost average was between $200 and $280 for non-wavered vehicle (inaudible), and I'm curious as to how the average repair cost in California matches up with those from other states, and wondering if that low average repair cost is also somehow connected to the poor retention of repairs that are alluded to in the BAR/CARB draft report that we just received. As everyone on the committee I'm sure has read and memorized the report by now, there is a reference made to the fact that (inaudible) and there are a couple of things recommended to try to deal with that. I would like us to look a little bit further into that repair cost issue as part of that, probably.

MR. CARLISLE: Okay.

CHAIR WEISSER: Once again, please continue.

MR. CARLISLE: Next page over is the average repair cost by model year. This is based on data

warehouse information at BAR for again the first quarter of 2004.

CHAIR WEISSER: Rocky, I don't understand why there is a repair cost associated with new cars if they're all included under warranty.

MR. CARLISLE: Well, that's a good question. I could make some assumptions, but I can check on that.

MEMBER HISSERICH: Maybe this is what the cost to the manufacturer is. In other words, it's not the out-of-pocket cost to the owner of the vehicle. They calculate that, obviously, whenever they take something in for a warranty repair.

MR. CARLISLE: What's difficult, the way this information is collected, this relies on the technician to enter the data at the conclusion of the repair when he does the after repair Smog Check inspection, so it's hard to say. I mean, it could be some minor thing maybe that's not covered by warranty.

VICE-CHAIR COVELL: And then keep in mind the exemption for the first four years doesn't apply to every vehicle (inaudible).

MR. CARLISLE: Right.

VICE-CHAIR COVELL: If there's a problem identified there somebody made the repair (inaudible).

COMMITTEE MEMBER: (inaudible) how it peaks at '96 in terms of costs, drops off a bit and then goes back up (inaudible) climb up rather rapidly to '96, drop off (inaudible) stay fairly consistent then for a whole lot of years. I mean, this is a pretty big sample of repairs, so it's (inaudible).

MR. CARLISLE: Just a guess on my part, '96 is when OBD II took effect and OBD II was a new technology, so that could have an impact. But again, I'm just – it's a guess on my part.

CHAIR WEISSER: Please continue, Rocky.

MR. CARLISLE: Okay. Then with regard to repair effectiveness and the reductions by the consumer assistance program, page 53 and 54 out of the Sunset Review itemized that, and if you'll go to page 54, it estimates the cumulative reduction of 1.6 tons per day for NOX and HC for the 2002/2003 fiscal year, and for retired vehicles at 4.1 tons per day for HC and NOX, again for the same period of time. I'm sorry, that's between July 1st and December 31st of 2001.

CHAIR WEISSER: Rocky, is this out of the Sunset Review? This looks very familiar —

MR. CARLISLE: That's why.

CHAIR WEISSER: — to the pages I've read BAR/CARB report, the draft report. But this is out of the Sunset Review?

MR. CARLISLE: This is out of the Sunset Review.

CHAIR WEISSER: Well, at least they're being consistent.

MR. CARLISLE: Wait a minute.

CHAIR WEISSER: No, I think in fact, Rocky, it is the pages that are included in the evaluation —

MR. CARLISLE: I did copy them out of that. I've got so many copies here I lost track, you're right.

Okay. Another item the committee requested was some information on the high emitter profile, and BAR provided you a copy of the HEP report from ERG, I believe it's dated October of '97, so you have that in your packet. Actually you have that as an attachment. It's in a separate report. It should be one of the bound reports. Okay.

Other information provided by BAR was they also provided six Cd's worth of data. This is from October 1st of last year to March 31st of this year. That's so the committee can do a comparison between test-only, test-and-repair and Gold Shield stations, and we do have that.

CHAIR WEISSER: I'm sorry, could you start that one again? I'm lost and trying to find the page. What were you talking about?

MR. CARLISLE: Test data, we have test data now from October 1st of last year to March 31st of this year to do a comparison between test-only, Gold Shield and test-and-repair.

CHAIR WEISSER: And where is that?

MR. CARLISLE: I have that on CD's. You don't want to look at that, that would take volumes.

CHAIR WEISSER: Thank you. And are you going to do some sort of analysis of the data?

MR. CARLISLE: The committee wanted to do an analysis, that was one of our subject areas.

CHAIR WEISSER: Right.

MR. CARLISLE: And so we have the data for that.

CHAIR WEISSER: And you'll be presenting that to the committee, to the subcommittee?

MR. CARLISLE: Yes. Also, there was another question —

CHAIR WEISSER: Rocky, let me interrupt again. I'm being a real pain and I know it. I was just wondering, considering that we have now recently implemented the expansion of the enhanced areas to include most of the Bay Area, would that present a golden opportunity to compare how enhanced areas are doing versus the non-enhanced areas, kind of a before and after look-see of on-road vehicle performance if we were able to direct a couple of the remote sensors, generate whatever the statistical required number of reads would be to generate enough numbers to compare performance of those cars who have gone through the first year cycle of enhanced versus those on the road who have not yet experienced the cycle of enhanced? Am I being clear?

MR. CARLISLE: Yes. Yes.

CHAIR WEISSER: I guess I will make this in the form of a question to the Bureau of Automotive Repair and also whatever involvement CARB might have in this to look into the opportunity, and I might say

a last opportunity, a once in a lifetime opportunity to see whether or not it would be feasible to conduct such a test, say in October because that would be a full-year cycle, using remote sensing to identify the difference in operating characteristics of on-road vehicles by generating a sufficient number of hits and doing an analysis of those hits and comparing those that have gone through a Smog Check cycle under the enhanced program versus those that have not yet (inaudible). And if I could hear back sometime in the next 30 days about whether or not that's feasible, I would be appreciative. I see Mr. Goldstene in the back nodding his head rapidly that he will look into it. There may be reasons why that's not feasible, but I'd like to explore that, I think it's a golden opportunity.

Thank you, Rocky.

MR. CARLISLE: Okay. Another question was asked by Mr. DeCota with regard to the idle test being incorporated into the ASM, and the problem with that, I had talked to BAR about that and there was a little bit of work done on that in the early stages in '97 prior to the implementation of the ASM, but it was never formalized. Plus, the question really is not

how does it compare to the two-speed idle test, but how does that test compare to the I&M240. In other words, would that same vehicle that passed the ASM and failed an idle test using a two-speed idle test also fail an I&M240 test, because the I&M240 is closer to the gold standard, if you will, than what the two-speed idle test is. So that would require quite a bit of data collection for I&M240 data.

The other thing is, you know we have a website up. I've added a page for committee members and you have a copy of that. That's the next item in your binder. The one page is just a cover page showing the member name, the area of expertise as identified by statute, the date the current committee member was appointed and the appointing authority. Each one of those names will be linked to the individual web page for the committee member, and so I would respectfully ask that the committee members look at their biographies since they've been printed up, and if they're okay to simply sign that sheet and I can go live with that tomorrow.

Otherwise, if you don't like your biography and/or the picture that's been taken, I can change either one.

CHAIR WEISSER: We all want to be much prettier, Rocky, but time and disk space with preclude that from occurring. So you want us to sign something?

MR. CARLISLE: Just sign or initial. There's a cover sheet provided on the front of your binder by Lynn, and that way I'm sure that everybody authorized their biography to be published to the world.

CHAIR WEISSER: Excuse me, I didn't see Lynn's picture.

MR. CARLISLE: There was a specific request that she not be included.

CHAIR WEISSER: I think I remember a picture being taken by the photographer when we were here. Okay.

MR. CARLISLE: Okay, another item. After much discussion, I might add, the IMRC policy for the maintenance and retention of audio recordings of monthly meetings, it was passed by the committee pending the changes into perpetuity. Those changes have been made and it was approved by legal, so you have a copy of that in your binder as well.

Another item in your binder is the updated Legislature report for new legislation, and there's three new bills.

CHAIR WEISSER: Where do we find that, Rocky?

MR. CARLISLE: That's right after the web information. I didn't include copies of the complete bill but there is a synopsis there. For example, one new one is AB2128 that transfers $50 million into the retirement fund for vehicles to provide additional incentives. That's provided SB1614 passes. SB1614 would add simply another ten cents to a gallon of gas. Something else we all need.

AB2424 is another new one. Requires a couple of things. It requires the ARB to use the median instead of the mean in calculating reductions, but it also requires that for the CAP program that a voucher be issued that could only be used to replace a vehicle with an '82 or newer vehicle on the retirement program instead of paying cash.

And another new one was AB2906 by Assemblyman (inaudible), and it requires that the sticker on new model year vehicles include the CO2 gas contribution as well as the HC limits.

CHAIR WEISSER: Rocky and members of the committee and the public, there are a variety of legislative measures in the hopper that are tending to deal with increasing the pace of retirement of older light duty trucks and vehicles, and others that will be dealing with increasing the pace of this ability to turn over the older diesel fleet, both on-road and off-road vehicles through what is known as the (inaudible) program. My sense is that we'll see a lot of these bills kind of held up at one point in time in a policy committee in order for the Legislature to try to look at them as a group since they've all been dealing with somewhat of the same subject matter. We'll be following it very close.

MR. CARLISLE: Okay. Finally one of the last things. The question was – there was discussion last month about identifying vehicles as high polluters based simply on make, model or year, and I thought there was statute that prohibited that.

There is statute in the Health and Safety Code 44000.5 that basically says you can't identify it as a gross polluter or a gross polluting vehicle solely by make, model or manufacturer. However, in section six of your binder is an opinion from DCA

legal that says, "Consequently, we are of the opinion that subdivision (b) of section 44000.5 does not prohibit BAR from directing vehicles to test-only stations based upon make, age or model." It goes through four pages to get to that conclusion, however, that is the conclusion.

CHAIR WEISSER: Would you repeat that again? The issue is, can you use information and analysis based upon historical performance of engine groups —

MR. CARLISLE: Right, make or model.

CHAIR WEISSER: — to do what?

MR. CARLISLE: Send them to test-only stations.

CHAIR WEISSER: Was the question also asked as to whether or not you could use that information to exempt cars from Smog Check testing or require cars to have more frequent Smog Check testing without a statutory change? That issue was addressed in the report.

MR. CARLISLE: Yeah, it was in the report.

CHAIR WEISSER: And my recollection is that they say that it would require a statutory change.

MR. CARLISLE: Right.

CHAIR WEISSER: For both the exemption and/or the more repeated testing.

MR. CARLISLE: I believe so, yes.

CHAIR WEISSER: Mr. Amlin has something to contribute.

MR. AMLIN: David Amlin, Bureau of Automotive Repair. I believe it's that annual testing would require legislation, and I think the exemption to clean screen is something that we can do without legislation. I think we have authority to do it as a pilot currently, and if we want to formalize it beyond the pilot we'd have to just do regulations, so the clean screen end, in fact we do plan (inaudible) with using the indexing of vehicles to go ahead and let the ones that have very low failure probability to in fact go ahead and exempt some of those vehicles this year.

CHAIR WEISSER: Thank you.

MR. CARLISLE: The final item. I believe you have a card up there.

CHAIR WEISSER: A card. Where is the mysterious card?

MR. CARLISLE: We don't want to be remiss, I'm sure the committee didn't want to be remiss, so last week was, I think it was Secretary's Day or maybe

it’s called Professional Assistant’s Day, but this is for Lynn for all her hard work.

[applause]

CHAIR WEISSER: A small token of our appreciation for the large amount of work you’ve done, Lynn. It’s been wonderful working with you and I look forward to, as does every member of the committee, to working with you on into the future.

MS. FORSYTH: Thank you very much. That’s a very nice gesture. Thank you.

VICE-CHAIR COVELL: Does the fact that we’re a week late mean that we’re not remiss?

MR. CARLISLE: Well, we didn’t want to be. We were late.

CHAIR WEISSER: Members of the committee, Rocky’s given us a multi-faceted report and I failed during the breaths that he took in between items to ask if there were any questions of the committee members of Rocky for any of the items that we went through.

VICE-CHAIR COVELL: Just to say that in spite of the fact that you were busy with the move, it looks to me like you got after these things pretty

well and provided quite a bit of data (inaudible) at the last meeting, so I very much appreciate it.

MR. CARLISLE: Thank you.

— o0o —

CHAIR WEISSER: Okay. We now, Rocky, want to move into the IMRC data analysis budget. That's the normal agenda item. But I want to indicate to the committee that I think it might be a good idea in the future if we would insert an item after the executive officer's activity report to provide an opportunity for any committee member who wishes to make a report on any issues or items of interest to bring them up to she or he during the time intervening between meetings.

So I'm going to ask if there are any such items that anyone would bring up informally right now, and also ask our executive officer to add an item in following his report so we can get any issues or items or new information that any committee members might have obtained during the month between meetings. That item will have to be one of discussion only, we will be unable to take any action because any action has to be specifically noticed, but it would be a good opportunity for sharing of information or whatever.

So, are there any members of the committee that wish to raise anything? Hearing none, we'll now move to the IMRC data analysis budget.

Rocky, do you want to give us a little background?

MR. CARLISLE: Yeah. Essentially, the data analysis is funded by the Air Resources Board, and in discussions with Mr. Tom Cackette at the ARB, due to the inactivity or the request for such funding, if you will, for data analysis, there hasn't been a line item. So, what I was hoping to get from the committee was some idea of what kind of request we need to make to the Air Resources Board for an amount to be put in that budget.

There's currently an open contract that we're going to use for part of the data analysis for this program evaluation, but I suspect with the amount of work that the committee has requested that there's going to be additional contracts required.

CHAIR WEISSER: Rocky, an open contract with whom?

MR. CARLISLE: Sierra Research.

CHAIR WEISSER: Sierra Research is the company, I believe, that has done the work for ARB.

MR. CARLISLE: Correct.

CHAIR WEISSER: So the advantage would be we might have some consistency in the data and the disadvantage is we have the same person looking at the data in a critical fashion as who developed the data in the first place.

MR. CARLISLE: Again correct.

CHAIR WEISSER: Rocky, historically how much monies have been budgeted prior to this recent removal of the budget line item in the past?

MR. CARLISLE: Based on memos I've seen it looks like $150,000 a year.

CHAIR WEISSER: And there is no money then, am I to presume, in this current fiscal year?

MR. CARLISLE: Correct.

CHAIR WEISSER: And where does the agency stand in the submittal of its budget requests?

MR. CARLISLE: That I have to check on.

CHAIR WEISSER: It's awfully difficult for me to kind of pluck a number out of the air without having a good sense of what the initials forays of the subcommittees looking at a report have decided initially how they want to approach the issue. We know at least one of the subcommittees is interested

in pursuing the notion of some sort of consumer survey, and I can tell you my experience with surveys of that sort lead me to believe they can be very, very expensive. We could see that chewing up a good deal of whatever monies might be available if in past years we were getting 150,000 a year.

MR. CARLISLE: There are some opportunities, I might add, that exist in the short term talking to Sierra Research. ERG is going to be conducting some surveys for the Bureau of Automotive Repair. Some of that could be piggy-backed, you know, with approval from BAR. However, the problem is that you're limited in scope, you can only ask a couple or three additional questions, otherwise you drastically change BAR's survey and, you know, the subsequent costs.

CHAIR WEISSER: Well, I'm sure. Seems to me that does open up an opportunity, though —

MR. CARLISLE: Oh, absolutely.

CHAIR WEISSER: — which we might want to pursue. I can only imagine that BAR would be bending over backwards to be helpful to this committee in generating (inaudible) be interested in pursuing. Considering the large numbers of dollars that we have available to shift to the general fund, I'm confident

that we'll be able to work something out in that regard (inaudible) to be pursued once in fact we decide that a consumer survey is appropriate when we have an opportunity to make that sort of decision.

MR. CARLISLE: Right.

CHAIR WEISSER: Members of the committee, I'm wide open as to what we should do at this juncture. My belief is that the budget cycle for the next fiscal year is already done and in order to do anything you'd have to do a budget change proposal, and I'm not sure that this is the year you want to put in a budget change proposal for a big increase.

So I guess what I'd like to do, I think, at this juncture, Rocky, is to ask you to get with the budget folks at BAR/CARB and, number one, find out what the cycle is for next time.

MALE VOICE: How about a zeroing out?

CHAIR WEISSER: And I would like the BCP to have earmuffs added for members of the committee.

For this year, Rocky, I don't know. My instinct is don't even try for a BCP. What do you guys think? Any reaction from any of the members of the committee? I just think it's such a difficult environment with the state that asking for additional

resources would be very difficult. Therefore, it seems to me we need to enter into a discussion with both BAR and CARB to find out what existing funds they have available that have been appropriated this fiscal year that they could make available for this committee in order for it to do its work, and I would participate in those meetings with whoever is appropriate at either BAR or CARB. Mr. Cackette and Mr. Goldstene come to mind. If you could see what we might be able to use through the existing authorization.

And if none, if we can't get any resources from the agencies to do any of this work, I'm not sure really where we go from there in terms of our ability to perform the functions that are charged to this committee, but I think we'll be able to find a moderate way through this problem.

MR. CARLISLE: Okay.

CHAIR WEISSER: Mr. Pearman.

MEMBER PEARMAN: When you say this fiscal year, what time period are you talking about?

CHAIR WEISSER: The state fiscal year is a July through June fiscal year. As I'm hearing, there's no money in this existing fiscal year, which

is 2003/4, nor has any money been budgeted in the upcoming fiscal year 2004/5.

I would suspect, Rocky, that the 2005/6 fiscal year a safe figure to put in would be the traditional $150,000 a year. That doesn't help us now, but I would look with optimism that both BAR and CARB will be able to identify sufficient funds in order for this committee to do any research, non-duplicative research that it believes is required in order to meet its responsibilities.

MR. CARLISLE: They've actually authorized the use of some of the Sierra Research funding, like I say, pre-approved, so that could be used for some of it that wasn't necessarily a part of the report.

CHAIR WEISSER: Well, as I said, let's sit down with Mr. Cackette and Mr. Goldstene and we'll work out some approach that is appropriate.

I would ask the members of the subcommittees to as a first order of business when you start discussing the scope of work that you will be doing to give some thought to whether or not you're going to believe you will need any external assistance. My belief is that for much or many of the subcommittees, you won't, that there is going to be sufficient

information available in the report, in the comprehensive series of attachments that we would expect to be coming from BAR and CARB for us to do the analysis without use of external consultants, but indeed there may be areas and some of those may come up this afternoon. We'll see.

Norm, you have a question or comment?

VICE-CHAIR COVELL: Well, just a comment. You asked about the availability of funding elsewhere (inaudible). I think another question that needs to be asked as well, and that is if there's data out there that exists that could be captured for use by these committees (inaudible) utilization of that data (inaudible). To visit data that was utilized for the evaluation report seems to me (inaudible) data that BAR had done (inaudible) of CARB.

I don't know, Dave, could you help me out here in terms of what kind of cycles the ARB is on now in terms of (inaudible) and the frequency of impact updates (inaudible)?

MALE VOICE: I could probably speak to that.

VICE-CHAIR COVELL: (Inaudible) the frequency is there now. I know you were on a frequency to try to do it fairly often and I don't

know if that's been impacted by the fiscal crisis that the agency faces.

MR. PANSON: This is Andy Panson with the Air Resources Board, and we are beginning (inaudible). Our plan is we're starting work now and we're hoping that it will be complete by the end of 2005. We're on a cycle to try and have the model updated for use in the next data round of the State Implementation Plan, which will be the plans for the eight-hour ozone standard which are going to be due in 2007, so the hope is to complete the impact work by the end of 2005. The rest of the technical work for the SIP going to be done in 2006 and 2007, and some updates to the Smog Check manifests are a part of what will be done in the impact models and various program improvements have been put in place since impact 2002 was implemented.

MR. AMLIN: Dave Amlin, Bureau of Automotive Repair. As Rocky already indicated, we've already provided a number of months of more recent data. Whenever you're at the point you want to do additional analysis, obviously we could provide all the data back essentially to all time, it's not a limitation.

The roadside data will provide, and then as Sal already indicated, you'll be getting copies of the technical support document here shortly. Essentially that was done along with the report, but there were actual comments and edits and changes over time and so in fact we just have to go back through the document and make sure that it was consistent with the final report. We just didn't want to do that until the thing was finalized and was released, so you'll have that and I think that'll have all the impact outputs and it has a substantial amount of details in there, I believe, so hopefully that'll be able to provide enough details that you're looking for.

The impact data is available also, there are paper copies. Somebody can tell me if I'm wrong, but impact is something that you can get and you can go ahead and run. It's kind of complicated, it's not easy for lay people but I think it's (inaudible) in the report.

Again, just going back, I know you were having a discussion on the issue of money and talking about money first. I would just suggest what might be simpler is actually figure out what it is you want to have done in that list, take it to a couple of

consultants, get some estimates, and then you'll know what it is you do need, and then you can also go ahead and decide some priority on that. If you want to do a survey that's going to cost $150,000 in itself then you have to decide to scale that down or if you want to go ahead and diversify, I guess, those funds, but I think the simplest thing is to decide what it is you want to have done and get an estimate. And that's not that complicated. That's typically what we do at the start of our projects, even before we'd even like Sierra or ERG, you know, if it's something large we go ahead and outline what it is that we want and give some of the details and they'll go ahead and give us a time and cost estimate, so then you have some real numbers to go ahead and work with.

CHAIR WEISSER: Thank you for that advice, Dave, and the subcommittees will keep that in mind when they start looking at what they're charged with doing and what sort of analytical needs they might have in order to accomplish their charge.

Okay, are there any other comments or suggestions? Mr. Pearman.

MEMBER PEARMAN: Just one for you, Mr. Chairman. You had mentioned this contract

availability of Sierra and the possible problem with that. How do you see us deciding if we want to look at other contractors given the time it takes for the state process to engage someone that we start that process at least with the option to look at others. I don't want us to be stuck where we have to use them and lose our freedom of choice because the timing doesn't allow us to do the whole state contracting and procurement process. Do you have any idea when we might look at that as perhaps a way for the subcommittees telling you what they need before we can really structure some sort of a procurement, if you will?

CHAIR WEISSER: Well, I think we have to do things on parallel paths. One path is to see what are the potential needs the subcommittees might believe are present. Another parallel path would be for our executive officer to explore with the agencies as to the status of the freeze that's been put in place on state contracting. I just don't know whether or not the Department of General Services is issuing any new contracts other than those that have already been let. These are questions that we would need to explore also

with BAR and CARB, which I would hope to be able to do with Rocky within the next couple of weeks.

But the fundamental question of determining whether or not we would need to use a contractor other than that which was used by the state agency, I don't know how to resolve that at this point until we have a better sense, a more precise sense of what data analysis needs we have. There may be analysis needs that don't present any sort of threat of bias creeping into the work of the existing consultant, just some additional data manipulation that we're interested in having performed. There may be other questions that might arise at the subcommittee level that in fact would be better answered by a separate consultant. Whether or not we'd be able to do that rests on our ability to find monies available for the purpose, and second, to identify whether or not it would be possible to let a contract out during this period of very, very tight controls on expenses, needed expenses or otherwise.

VICE-CHAIR COVELL: You know, Vic, I think we're going to have to re-focus in on what we want to do with this report, because if you look at item number four you see –

CHAIR WEISSER: You're talking about the subcommittee assignments?

VICE-CHAIR COVELL: Yeah, the subcommittee assignments. Number four has got (inaudible) and myself identified, and the assignment is in relation to the BAR report, quantify emission reductions/improvements to air quality, then it brackets it refers to various sections of the ARB/BAR report.

Now, the response to that by this committee (inaudible), number one, spend a lot of money trying to determine whether they were right or not in that report, or be responsive to our legislative mandate that says identify what we've done and then focus on improvements (inaudible).

Well, in terms of getting a rope around this thing and focusing is that what we're doing is critical based on the limited amount of money (inaudible). It seems to me (inaudible) determine whether they were correct in their evaluation (inaudible), or is it a given that that was a proper analysis and this is something we can live with in terms of based on how that program is being implemented right now, the improvements that have been

initiated in that program since the last report and this is what it's accomplished, and then focus on are there additional recommendations we could make for improvement of this program that can be recommended to the Legislature. (Inaudible). See where I'm getting?

CHAIR WEISSER: Yes, I do. What I'm going to suggest, Norm, is that this afternoon we march our way as a committee through this listing and try to ask and answer questions just like what you said, try as a committee of a whole to have a discussion to provide input into the initial work of the subcommittees. I have a reaction to your question, but I'd like to hold that back until we go through these, if that's okay.

— o0o —

Okay. I think we're done on the IMRC data analysis budget. The next item is the BAR budget. Rocky, during your presentation you chatted quite a bit about some of the issues associated with that. Are there other issues that you'd like to bring up regarding the BAR budget?

MR. CARLISLE: I think the only other question the committee had with regard to the BAR budget was how much is used for Smog Check versus how

much goes to other functions such as automotive repair.

Out of some 40,000-odd shops in the State of California, only about 8,000 of those are smog shops. In that budget analysis there's no specific allocation of funding for those two entities, if you will, but the one budget analyst I did speak to, the best analysis he could make was approximately 72 percent of the total fund went to, and this is speaking of VIRF, when to Smog Check while the other 28 percent supported automotive repair functions such as glass shops and transmission shops, those types of things, because you do have enforcement functions that BAR is responsible for in those entities as well.

CHAIR WEISSER: And those are funded from?

MR. CARLISLE: The VIRF.

CHAIR WEISSER: So let me make sure I understand, 72 percent of the monies that come in via consumer payments associated with the Smog Check —

MR. CARLISLE: No, that's license fees and everything.

CHAIR WEISSER: Okay.

MR. CARLISLE: So there's licensing fees from 40,000 shops.

CHAIR WEISSER: And is it the licensing fees that take care of the non-smog check work that BAR does?

MR. CARLISLE: I don't have enough data on that.

CHAIR WEISSER: Okay. I'm going to ask some really simple questions. Well, I'm going to wait until we get to that part in the review of the subcommittees, because there's a whole bunch of pretty simple questions. I need this stuff simple. I worked with the state budget for 23 years and I don't claim to understand how that process works, but I think we can construct some simple questions so that the committee and the public will have a clear understanding of what monies are coming in, what monies are going out, who's getting the money, where is it being spent, and then we can make some judgments as to whether or not we think that's adequate, an equitable fashion, or one that we need to kind of raise questions with to prompt to Legislature to (inaudible).

— o0o —

So now we're at item number six. Rocky, could you before we start give me an indication of how

long Mr. Amlin and Mr. Mow will need to do the presentations on low pressure fuel evaporative testing? How long do you folks think?

MR. AMLIN: Mine's quick. Less than ten for me.

CHAIR WEISSER: Oh, you're never going to get away with less than ten, Mr. Amlin.

Mr. Mow, about how long do you think?

MR. MOW: Actually, it's a two-part presentation. I'll need about twenty minutes and then Mr. Richardson is going to demonstrate the smoke machine, and that will take probably about fifteen.

CHAIR WEISSER: So we have about fifty minutes of presentation total. Then I was going to suggest we take a ten-minute break, but maybe we'll just plow on through. What's the committee's pleasure? Anyone need a break at this point? Okay, we're going to plow on through.

MR. CARLISLE: Dave Amlin is going to start.

CHAIR WEISSER: Okay, Mr. Amlin.

First of all, I want to thank you, everybody, for getting this all together in this timeframe. I'm very, very much interested in this. I will warn you that I've been deputized by Committee

Member DeCota to ask questions in his stead. As most of you know, I may not be as articulate as Mr. DeCota in these questions, but I'm a lot better looking, so pay attention.

MR. MOW: Mr. Chairman, my estimate was outside of questions and answers.

CHAIR WEISSER: Of course. (Inaudible).

MR. CARLISLE: I might suggest that the chairman and Mr. Covell kind of move off to the side so you're not blinded by the light from the projector.

By the way, this is the new IMRC projector.

CHAIR WEISSER: Now, I don't want you taking that home and playing video games.

MR. AMLIN: David Amlin, Bureau of Automotive Repair. I'm going to go ahead and really quickly cover the low pressure fuel EVAP test program.

[new slide]

Background. Obviously California has a pretty old vehicle fleet, lots of older vehicles and rubber hoses and gaskets and things like that on these vehicles don't last forever. (Inaudible) deteriorate, hoses dry up, they crack. Vehicles might have work done on them, engines replaced, they're in a car accident and things are damaged. They get rear-ended

and have tank damage. They may have a front-end clip and have things redone to it. There's a lot of opportunities over time that vehicles will develop leaks to the system, and that could even be vapors or a combination of vapors and liquid, they could lose either one.

[new slide]

So at any rate, in the current test we do a visual check and that's primarily what you can easily see under the hood. Beyond that, gas tank and all those kinds of things aren't readily visible and we need something different to go ahead and test that. We have been doing and we've developed some prototype testing over the last couple of years, and (inaudible).

[new slide]

There's kind of a limited amount of data to go ahead and get really specific on the amount of tons reduction. We looked at some of the work that was done, for example, for the cap test and so on, and I think that's that's kind of where we end up with the 22 ton per day, different studies to go ahead and look at that. We probably don't have enough detail until we actually get the program operational to quantify

the most accurate emission reductions that we'll get out of this, but they're substantial.

[new slide]

(Inaudible) USEPA to go ahead and do a test back in 2000, been working on developing the system since that time, and it's a significant part of the Clean Air Plan.

[new slide]

In terms of systems, currently our estimate is that the devices will be available somewhere in the $2-3,000 range. We reduce vehicles that are ten years and older. The vehicles that are newer have too low of a failure rate to bother testing.

The test itself, pretty automated, takes three to six minutes. However, that's the time that the device takes and it isn't something that the technician has to stand around for so he can go ahead and push a button, start the test, go complete your visual inspection or some other part of the test and come back at the end of that, so it's not going to add a lot of time to the total test sequence.

[new slide]

And then failure rate for those vehicles ten years and older we expect to somewhere between ten and

twenty percent. That's the initial failure rate. Once you fix each vehicle, it's like the gas caps, then the failure rate drops dramatically because what we have is cars that haven't been tested out there, ever, and so they'll have defects. Once those defects are corrected then it'll drop much lower, so when the program is operational doing pressure testing over years have maybe three to six percent failure rate.

[new slide]

Fuel vapor is gas, and so then there's also an impact on lost gasoline that you can go ahead and save that.

[new slide]

I'm going to just show you a device real quickly. This is one of the prototypes. This is one of the prototype testers. It's got pressure inlet for either compressed air or nitrogen, whatever the method desired. This goes to the vehicle. In an automated test with a simple menu. Press the start button, go ahead and complete the test.

On the vehicle you just go ahead and you take off the gas cap, you put on one of these adapters that actually goes right on the tank of the vehicle. That connects to the hose (inaudible) pressurize the

tank. Before you do that you clamp off with selections of crimpers and you clamp off near the fuel evaporative canister. That seals the system, then you pressurize through the tank. The other end is pressurized or sealed so that'll go ahead and pressurize the tank with very low pressure — it's called low pressure eVAP, about 1psi, very low pressure. You don't want to apply a lot of pressure to these vehicles.

That's kind of it. Crimp, put this on, push a button, start, pressurize the system. It monitors the system, looks for leaks, makes a pass/fail decision, everything's automated. While that's a simple overview, it's much more complicated the things that the system has to go ahead and consider to make that decision, but in terms of actual use it's a pretty simple test.

And then in terms of test to go ahead and make a pass/fail decision, the device also has some additional features to assist with diagnostics. It has like a pressure hold feature. That means it'll go ahead and apply pressure so if you want to do it continuously while you're looking for leaks, you can go ahead and take, for example, the clamps, you can go

ahead and you could clamp it up next to the gas tank, and if it's still leaking then you know it wasn't in the fuel vapor line that was in the gas tank. If that did stop the leak, then you know where it is and you can just start narrowing that down. You can clamp at different locations and you could through the process of elimination go ahead and figure that out.

Other simple things in life, you can spray soapy water looking for leaks. You can also go ahead and use this pressure hold system and then go ahead and use the BAR 97 probe, it'll go ahead and look for the hydrocarbons. Essentially pure hydrocarbons come out, so once you hit that it'll go ahead and show up on the analyzer quite easily. And then there are some other types of diagnostic equipment that's there.

We're looking at some type of audio feedback also so if you're away from the device and you're doing these kinds of tests, if you had a high rate of leak and as you clamped off it slowed down, it would give you some feedback on that without having to look necessarily at the display.

[new slide]

We've evaluated prototypes from three different companies, ESP, Waekon and Systech. We've

been through a series of tests from way back we've tested probably with some of the earliest prototypes, a couple thousand vehicles on roadside. I guess with Waekon's we did some of that. We also did it with our own prototype device, and we've done some lab testing with all the devices.

And then more recently we were down with ARB in El Monte doing some shed testing with vehicles doing this. We've also done some actual testing on the roadside that we failed vehicles. We called them in for repairs and we actually fixed those cars, and so we've got a little bit of experience all the way around.

It's been a lot of work to go ahead and get to where it's at now. Fuel is a little bit more dynamic than testing just a tri-tank or a tank that houses water, and so there were some things to overcome, but that's going well and it looks like that we're on track to go ahead and have devices soon.

Of the most recent formalized prototypes, we just did some more testing in February, again doing some testing that's just going to be starting again with the manufacturers. We've had work groups, conference calls, meetings that have been going on for

some time, and we're also doing some additional research and things in terms of, like the crimpers is a complicated item to go ahead and get something that will go ahead and do that well and hold up and be durable and so on, and looking at ways of doing the diagnosis and repair and so on.

[new slide]

Feedback. In addition to what we're doing internally, we plan to go ahead and have devices out to get some feedback from the industry at the Smog Check stations and so on. We'll have some of the early prototypes out there to go ahead and do that. I think some of the companies may also go ahead and have focus groups and so on to go ahead and make sure these things cover all their needs.

And then we'll go on to a large scale testing that will have 50 units out from each of the manufacturers out at Smog Check stations where we'll go ahead and do a lot of testing and collect a lot of data.

And then implementation we're looking at spring 2005 is our best projected date at this point.

And that's it. Do you have any questions?

CHAIR WEISSER: Let's take some questions at this time, and we'll start with Jeffrey.

MEMBER WILLIAMS: Is the data testing including a test at test-and-repair as well as test-only?

MR. AMLIN: Yes, it is.

MEMBER WILLIAMS: How is the test-only test where the crimping is done (inaudible)?

MR. AMLIN: Oh, no, they're going to go ahead and make a pass/fail determination. They're not going to do the diagnosis and repair, presumably. I think that's the case for anybody, whether it's a test-and-repair or test-only, you make a determination of pass/fail, that's the end of the Smog Check test. The motorist then can go ahead and they may choose to repair the vehicle themselves, they may choose to have it at another shop and they can make all the decisions on where they have their vehicle repaired. They may take it to their cousin Vinny or something like that who'll go ahead and do it out in the driveway. Unknown, all the things.

CHAIR WEISSER: Dave, you indicated that this is a low pressure test at 1psi. Give me an order of magnitude in terms of the pressures that the fuel

system, hoses and whatnot, are subject to during normal operation so that I have a sense of what that 1psi is measured against in terms of normal operation.

MR. AMLIN: Well, ideally a system isn't really pressurized because that's kind of the purpose of the fuel evaporative system, it allows the fuel vapors to go ahead and flow through the charcoal canister and be stored there, and when the engine's running it'll go ahead and pick up those vapors and go ahead and burn them through a normal process.

Now, in terms of there are pressures when a vehicle drives around. The fact that your gas tank is sloshing around, there are surges and things like that. There are also some vehicles that'll have some kind of restrictor in there that'll essentially create some kind of back pressure in a system where it won't have unlimited flow. There are also things that'll have ballasts that try to prevent fuel from going up into the vapor system and so on.

So there are a number of different things, but ordinarily the system is not really intended to be pressurized. There are things like gas caps themselves will actually have a pressure point by

which they'll go ahead and release pressure in the event that something like that occurred.

CHAIR WEISSER: I'm asking this only to get a sense of whether or not the pressure itself is sufficient enough as to cause damage to the vehicles in question.

MR. AMLIN: There have been several states that have been doing EVAP testing for a number of years, I believe probably in the millions of vehicles have been tested, so there's a lot of experience, I guess, for testing.

In terms of being able to damage a vehicle, the things that are there, it's a very low pressure, there's nothing really that that's going to hurt. Hoses and everything else can handle much higher pressure.

Essentially, when you think of the fuel system for a vehicle think of safety liability for a vehicle manufacturer, and they know that car's going to get rear-ended, and that's what they have to go ahead and build a system for is something that's not going to go ahead and burst and spew fuel all over the road and ignite a car and burn all the passengers or something like that. So if you just realize that

there are attorneys in the world and that there's liability, and so these systems are pretty robust.

The things that they have to go ahead and release pressure is actually your limitations. You don't want to pressurize to the point that there's some kind of a release in the system that'll go ahead and give you a false indication, so that's what you're really up against more than anything else, and this is a pressure that's pretty much within the design parameters.

In fact, on the new vehicles that are equipped with on-board diagnostics, they typically are actually doing an on-board test themselves, and they're different for different vehicles, but in general they are themselves closing a valve while a vehicle is sitting and it might do that during that (inaudible) testing. During the day it sees the car is sitting and hasn't gone anywhere and they're monitoring the temperature and they'll go ahead and essentially clamp it off themselves and use the temperature for vapor expansion to go ahead and do their own test, so in fact the reality is that there are millions of vehicles throughout the United States that are doing this today.

CHAIR WEISSER: Let me try to understand. You're saying with the fact that this has been in place in other states and they've done what you characterize as millions of low pressure tests, they've found that there are no problems then with the test itself exclusive of the crimping, that the test pressurization part causing damage to the consumer's vehicles; is that correct?

MR. AMLIN: That's correct.

CHAIR WEISSER: And there's no breaching of the fuel lines or anything like that that's been reported.

MR. AMLIN: Well, you're asking a broad question. Is it possible to go ahead and damage a vehicle? There are cars out there that have hoses that are essentially '74, 30 years old and that will have hoses (inaudible). Will some of those go ahead and crack when you go ahead and put the test on? Some will.

We've done a lot of testing. We actually went to wrecking yards and we actually picked up canisters and did testing. We got hoses from vehicles that are 30, 40 years old, things like that. I've done a lot of work to go ahead and try to come up with

something that will go ahead and do that without causing damage. If it is so brittle that the thing shatters when you go ahead and test it, obviously that needs to be replaced. Some of them you can tell –

CHAIR WEISSER: Well, let me ask you a question in that regard, David. This test is going to be performed by both test-and-repair and test-only stations, and let's say when you apply the crimping tool it shatters a hose. What's going to happen to the consumer? I'm presuming at a test-and-repair the test-and-repair station will say, well, we'll have to stick a new hose on. What happens at a test-only?

MR. AMLIN: It's actually not very different than what we have today, because today, for example, they might do a functional timing check or a functional EGR check where you have to go ahead and remove the hose to the EGR system and apply your own line to that and apply vacuum to it. If you break it you fix it. And the fact that that is just a normal part of what happens during testing is something that they can go ahead and do presumably if they go ahead and they pull off a hose and break something, they go ahead and put on another little piece of hose.

For example, like at a referee, they don't do repairs per se, but if during testing they go ahead and damage the vehicle they have a small supply of little parts and things to go ahead and make that kind of a minor fix.

CHAIR WEISSER: So test-only stations are authorized to do repairs to vehicles that they inadvertently damage during the testing process.

MR. AMLIN: Essentially, yes.

CHAIR WEISSER: Mr. Hotchkiss.

MEMBER HOTCHKISS: I was going to ask that same theme with the hoses and such would mean you're going to allow the technician any way to make a judgment call and say these hoses are brittle and have to fail it at that point and make sure it's repaired before.

One of the problems with trying to get old hoses apart quite often because they end up almost welded by the fitting. I know if you break a hose here and you break a fitting here (inaudible). Obviously, the technician doing the inspection should be the one who might be able to make the best judgment as to, well, if I crimp this off here we're going to have a big problem.

MR. AMLIN: You're talking about how a station will communicate to their customer that they think that if they go ahead and clamp this on they might damage their line and they may tell them that in advance and say, gosh, this thing looks like it's gone. It's cracked, it looks like it's probably going to fail. Would you like me to replace this? Those are things that probably happen today in a regular Smog Check. I think that's just kind of human nature.

CHAIR WEISSER: Well, I'm glad to hear, Dave, that you're talking about having focus groups with the industry people who I think will be very helpful in terms of providing you input and advice as to how to deal with issues like we just raised.

Back again to the actual equipment. You characterized this equipment in the slide show — and I'm assuming we're going to get a copy of that, Rocky — as prototype pieces of equipment, and yet you also say that this has been out in use for many years in many places. Could you clarify that for us?

MR. AMLIN: Fair question. Really there are two issues. One, when you go ahead and pressurize this and you test it, you test it like you do a dry tank or a water tank or something that doesn't have

something volatile in there like fuel, it's very simple. It's pretty much what they do in the other states. So in terms of testing and in terms of what it does to the vehicle, the effects are minimal.

In terms of being able to make good pass/fail decisions at higher temperatures, summer California weather, et cetera, when the fuel is more volatile, they're not very good, and so the one limitation being like in Arizona if you're testing on a 120-degree day, they're not making a very good decision. Essentially what they do is they pass a lot of cars, including broken cars, just because the fuel vapors are expanding at such a rate what it does is it's building pressure. If you don't compensate for that, it makes you come to the wrong conclusion on the results unless there's just a massive leak or a disconnection or something like that.

So what happens is in those other states, again, all the clamping, all the pressurization, all the effects to the vehicle are the same, but in reality for those areas that don't get warm at all, they're not making a very effective pass/fail decision during the hot days.

CHAIR WEISSER: Let me understand and just put it in the most simple terms. You're saying that the existing equipment that's out there, while it does purport to do low pressure testing, in fact is not particularly useful for warmer weather climates such as California.

MR. AMLIN: There's a couple things. One is some of the states are northeast, and so they probably don't have quite the temperatures that we do to begin with, so it's probably less of an issue. But when you do get to a really hot day and if you have a small leak, they can't detect it.

CHAIR WEISSER: Mr. Mow, you have something you wanted to add?

MR. MOW: Yes.

CHAIR WEISSER: Would you step up and identify yourself?

MR. MOW: Sure. Vince Mow, independent environmental consultant. I was just going to suggest, Mr. Chairman, that a lot of the subjects that you're touching on will be covered in the next presentation, and if you want to see what questions remain after that may be a little more productive.

CHAIR WEISSER: I think that's an outstanding idea, Vince. So Dave, if you'll stand by we'll ask Mr. Mow to begin his portion of the presentation.

— o0o —

MR. MOW: I'm going to set this thing up, I have my notes on it.

CHAIR WEISSER: Take your time.

MR. MOW: While that's warming up I'll mention that I did do a couple of studies in some of the states that have programs, so I can tell you what they do now regarding repairs, what the incidence is.

I'm Vince Mow, independent environmental consultant. I began consulting in I&M back in '94 for a company that was interested in getting into that field, and specifically in the area of developing evaporative emissions testing equipment. Employed by Hickock for about a four-year period between now and then. And Hickock of course is one of the participants in the present program here. And then, you know, I returned to consulting last year and still represent them as clients.

As a kid I grew up with asthma in Santa Clara, so these issues come somewhat close to home.

EVAP has really been my focus for that reason for several years. I think it's an area where there's a lot of promise of a very cost-effective test, and this presentation will really focus on my professional views on the upcoming program as well as highlighting the technologies that have been developed by two of the three manufacturers who will be participating.

While I'm going to primarily focus on the inspection side of the equation, because technicians have not had to deal with evaporative systems, and the only exception of course is that with emerging OBD programs, evaporative failures have to be repaired, so there's beginning to be a little bit of experience in the field, but it certainly emphasizes the importance of the repair side of this program being dealt with very thoroughly, because it's not like we're instituting a test that technicians really can say that we've done a lot of evaporative repairs, we've replaced canisters that leak. Typically that would not be done unless the motorist shows up and says I smell gas, you know, help me out.

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So the next slide will outline the contents of the presentation. I think there's a clicker around

here. You can make use of these items in your own evaluation of the program.

Which one of these is it, Rocky? Oh, okay, I got it, the left side. Thanks.

We'll cover a little bit of background; air quality, health and safety benefits; the repair side and the expected life cycle of the program and the equipment, some of the fundamentals there; some program economics; training and vehicle specific applications; development of the technology itself; and then the ESP/Waekon evaporative inspection system; features, benefits and procedures; implementation and ongoing support; and then a summary.

And at this point I'd like to introduce some colleagues that have joined me today.

I have Glenn Richardson, who some of the committee members saw earlier getting the test set up, and his company STAR EnviroTech owns the technology for what they call smoke diagnostics, which has become one of the primary means for discovering the location of evaporative leaks and repairing them, and Glenn is the national technical supervisor for STAR EnviroTech.

I have Jim Wilson and Mike Wellway here from ESP. Jim is the vice-president of marketing and

government relations. Mike is the manager of operations for California. Any questions concerning implementation and that kind of thing could be addressed to them directly, if you need to.

[new slide]

Okay. So we'll start with some background. Low pressure EVAP has been a SIP commitment for some time, as Dave Amlin mentioned, and you'll see later on in the presentation why it can be a very key part of the additional reductions that are necessary to make the SIP.

There have been some serious advances in the state of the art. And this goes back to the question, Mr. Chairman, that you asked Dave Amlin regarding the differences between the test as it's being performed in other states, and we'll get into that.

Vapor compensation strategy is the key element that makes the new test capable of distinguishing between the same size leak regardless of vapor effects, and vapor effects differ greatly depending on ambient temperature and temperature of the fuel. So that's really the advance in technology that had to take place to have an accurate test regardless of temperature.

And of course there have been some general technical challenges. I'm reading notes here so bear with me for a second. Really a lot of this comes down to the fact that you're trying to concurrently develop hardware and software. The software is responsible for understanding exactly what's going on in the fuel tank as conditions are changing, because vapor — incidentally, the 14-inch of water column number is a half a psi, it's about 28 inches per pound, so you can see it's a fairly slight amount of pressure.

And to put that into perspective, you're starting with a tank that once it's vented of course is at atmospheric pressure of about 14.7 psi. To that you're adding one-half of a psi, so you're really only increasing the pressure within the fuel tank by about 1/28th roughly of what it was.

In addition, fuel caps are designed to relieve pressure at about 45 to 50 inches of water column, which is almost 2 psi, so that's the level that a manufacturer might fear that a tank is able to rupture, so we're well below that, we're about a quarter of that, if that's helpful.

There have been several million tests in three different states, those are Arizona, Delaware

and Kentucky. ESP can speak to the Delaware and Kentucky programs, and they've performed right around a million tests over the last few years with no incidence of any catastrophic failures.

There is incidence of course, as Dave mentioned, hoses breaking and that kind of thing. I should stress, though, that much of that can be identified during the visual inspection portion of the test where the guy has an opportunity to see that hoses are visually cracked. And you know, if the hose is brittle or if it already has a hole in it, the guy fails before he even performs the test.

The numbers that I was given by the State of Delaware for the incidence of that kind of problem occurring during the test was about 30 vehicles out of 250,000 in a year that were being tested, so it's a very, very low incidence of failure. Nevertheless, that being a centralized program, they actually kept two or three reels of hose around, because there's only a few sizes of hoses that you're dealing with, and just little couplings that they'd stick in, so the guy literally just had to cut the hose. He could either replace a whole section if he could conveniently get to both ends, or just replace a

section with couplings. I don't know as far as the question whether that's consistent with program regulations here in California, but that's the way it's done elsewhere.

[new slide]

Dave mentioned the projected fleet reductions are up to 22 tons per day of HC. I'd like to point out that that number is equivalent to roughly half of the projected improvement in enhanced Smog Check by 2010 contained in the draft report that you'll be reviewing later today, so it's a big number, obviously.

It also improves identification of liquid leaks, and I know that all the committee members have already heard about the importance of liquid leak identification. It's already a part of the Smog Check program. A single vehicle with a liquid leak can add hydrocarbon to the air that are orders of magnitude greater than simple vapor leaks.

This sort of identification would take place where you have fuel tanks that are perforated on the top because of rust and corrosion, and it doesn't show up as a liquid leak in the normal inspection, because first of all, the inspector can't see the gas tank.

Secondly, it may not be leaking when the car drives in and it won't leak until you go to fill it, and that's a fairly common phenomenon.

I don't know, and perhaps CARB could speak to this, but I don't know that that extent of liquid leak identification was even taken into account for modeling, but it could add another increment of reductions.

Prevention of fuel-related hazards. Obviously, in the event of accident, you don't want anything open in the entire fuel system that could cause fuel to leak. The end result is obvious if it did.

Reduction of air toxics, ESP Benzene. In the interest of time I'm not going to go into Benzene a lot unless the committee wishes to ask questions, but it's certainly a regulated compound and it leads to leukemia and other health risks, and it's associated with occupants of a vehicle where Benzene actually accumulates from evaporative leaks inside of the passenger compartment. And it's a very prolonged exposure because the compound has a very long half life, Benzene just stays there and it just keeps accumulating over time, unless you vent the vehicle.

There was also a California study that shows that vehicles that have leaks of this kind in an attached garage situation they found the same level of Benzene contamination inside the home that was present in the garage, same concentration, and certainly high enough concentrations to cause leukemia.

And of course the potential fuel savings has been estimated by several studies as being on an average about 30 gallons a year of actual gasoline savings for the motorist if he's got a substantial leak in either gas cap or evaporative system.

[new slide]

A little bit on the repair side. Some of the typical repairs include common problems of loose or cracked tubing, a poorly connected coupling which can also result in liquid leaks sometimes. Less common are cracked or missing canisters and other EVAP system components. Less common still are the perforated fuel tanks, although it's not uncommon to see the sending units on the top of the fuel tanks with bad o-rings, and they will leak and cause a lot of liquid leakage when you go to fill the tank. So this test will capture all of that.

Included with the unit as specified by BAR is a method for verifying whether you still have a leaking vehicle or not when you go into repair mode, and that was the pressure hold feature that Dave spoke of. It includes sort of a Geiger counter feature, there's an audible almost like a siren but a very short pulse that's loud enough for a repair tech to hear, so as he's going through the car if it's a massive leak all he has to do is pinch off the hose where that leak is occurring and he can hear the sound of the solenoid opening decrease in frequency, and then he knows that he's in the right location.

It is not necessarily going to help with the whole spectrum of leakage because there are some very small leaks that would not be apparent by that method and of course there are leaks that you just can't see that occur on a car. And I'm going to leave that subject for Glenn to cover because it's a scenario where he's an expert.

There are some specialized diagnostic equipment and techniques that are available in addition to the smoke technology that you're going to see in a little bit. The inspection equipment as it's designed right now can also be used with other methods

as simple as soap bubbles or even the HC probe on the present Smog Check analyzer can be used to sort of chase down leaks. They're not necessarily the ideal way, but for shops that are very low volume where it's not practical for them to invest in additional equipment it may be sufficient.

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Now just some points on what's going to keep this program alive for awhile. First of all, the quality of the equipment is very high. It carries a one-year warranty. Field support will be provided by ESP and they're very capable. They've been in the field supporting their BAR 97 analyzers for a long time.

The significance of the older fleet HC contribution should be obvious, and this quotation is out of the present draft review of Smog Check that this committee will be reviewing later today, and if you consider that in 2010 it's projected that those cars 13 years and older will account for about 75 percent of the HC and NOX emissions from the light duty fleet, it's obvious that even though the number of cars are becoming less, because the newer OBD vehicles are much more robust and have much lower

average emissions, that contribution is going to be significant for many years to come, and I would expect that for 10 years minimum the importance of doing these types of checks will still be evident.

Some of the pressures to improve Smog Check performance are certainly obvious to this committee. There's known existing SIP deficits that have to be remedied.

The eight-hour ozone standard has to be addressed within the next few years, and I think we all know that it may even bring other jurisdictions into nonattainment that are currently marginal attainment.

The air toxics rule will require that we control some of the other compounds that are not currently a function of Smog Check. And Benzene which causes acute nonlymphositic leukemia is one of the prime components, and I mentioned earlier the study on attached garages, proving that Californians are already suffering from some of these effects.

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Just as a quick and dirty way to look at the value of this test compared to some of the other measures. Peter Hyde did a study that he presented to

the CRC some years ago on the cost of reducing one ton of HC using I&M240 in Arizona, and that was $13,787 a ton. The cost that is in the draft review of Smog Check is $5,317 a ton, and that's of course based on a combination of tailpipe testing and other measures. Evaporative pressure by itself was calculated by Delaware to control a ton of hydrocarbon at the very low cost of $2,100. So you can see how between the gas cap at 660 and evaporative pressure at 2100, it's probably the biggest bang for the buck that you're going to get out of the Smog Check Program at this point.

[new slide]

Training and vehicle applications. A very important element of this program is that advanced EVAP instruction and a visual pinch-point database will be supplied. There's no way we can expect technicians to know what hose to pinch when in many cases they can't even see the canister, and for that reason later on I'll show you what the visual look-ups are like and you'll see how that training is going to occur.

The system is so simple to use that the instruction manual and application look-up should be sufficient.

And what I call buttonology, which is basically how to use the equipment. There's one button and there's a keypad that enters the vehicle data. There's really not a lot that's very complex as far as conducting the test itself.

[new slide]

So here are some of the training and vehicle applications I was talking about. That photo shows you what the visual database will do. It'll direct the technician to exactly that part of the tubing that is safe to pinch in order to accomplish the test. It also will cover some of the vehicle emission labels, evaporative system theory, OE specific features, tampering and common failure identification, evaporative system components and of course warnings and precautions that go along with performing the test.

[new slide]

Development of the technology. There were certainly challenges that had to be faced in both hardware and software development, and a lot of those

really revolved around the whole aspect of determining the difference between a leak that's occurring in the tank and the rise in pressure due to vapor expansion, so getting to the point where those two could be discriminated from each other is really the art that was involved in getting to this state of technology.

Installation and field support are always a challenge, and for that reason there's a lot of benefit in having the partnership of ESP along with the technology developed partially by Hickock.

As far as the extent and expense of R&D, for Hickock it's been a four-year challenge, and the cost between the two companies, between ESP and Hickock now working collaboratively, has been about $1.9 million to date.

Estimated unit price. As BAR has mentioned, projected pricing for the equipment will run between $2,000 and $3,000. At this point it is the hope of these two manufacturers to produce equipment closer to the lower value of those two numbers. The reason that I can't fix a hard price at this point is because there's still some fine-tuning of the final functionality of the equipment that's not complete. Some of that still lies in BAR's domain. Within

probably the next two or three months, and once equipment is finally certified we'll be able to say that the price can be fixed at an exact level.

[new slide]

I mentioned that ESP and Waekon were working collaboratively, and the reason is that advancing the state of the art has been very challenging. There are not necessarily a lot of approaches to do this properly, and both of these companies are satisfied that they had happened upon the approach that was best and decided to join forces.

The real benefit here is maximizing economy and efficiency. What may be a $2500 piece of equipment could easily have run to $4-5,000. For example, if Hickock had put its entire field force together in the State of California instead of taking advantage of ESP's resources. And by the same token, if ESP had to duplicate the research done by Hickock the cost would have continued to climb, and R&D expense of what's going to be maybe $2 million now could easily have been 4 or 5 for each of the two manufacturers.

The field support benefits are obvious. We're working with seasoned veterans, and Mike Wellway

can speak to that if you have any questions about how this roll-out is going to occur.

A lot of safety features in this equipment. You asked questions regarding whether the test can cause damage or not, but in fact, it seems like it's been very comprehensively covered in terms of the equipment itself indicating if there are problems that can lead to either bad results or failures. It checks to make sure the input pressure is correct. It checks to make sure that if there's massive leakage in the tank it doesn't even perform the test, it fails it before it has to just keep dumping pressure, so the opportunity to create a leak and pump gas out of the tank is pretty minimal. A lot of other features too that are covered in the specs that we could go into if we need to.

[new slide]

Here's a quick shot of the prototype. That unit will not differ tremendously from the production unit the display will be a little larger and will have more characters on it. And also there will be a keypad of ten digits for some of the diagnostic functions and things that you might want to perform. But essentially it's a one button test, and I can run

very quickly through the test sequence for you. There it is.

The technician is going to check the electrical connections on the unit and the pressure supply, make sure he has pressure and that everything's hooked up properly. He'll attach a ground clamp to the vehicle, and that just helps in the event of building up a static charge. He'll select the pinch-point reference from the reference that I covered a little earlier.

And then he's going to remove the gas cap and replace it with one of the filler neck adapters. There's also a universal filler neck adapter for those vehicles that aren't covered by the other fixed adapters. He'll then attach the hose from the tank tester and couple that to the filler neck adapter and push the button to perform the test after entering any other BAR inputs that are required.

At that point he just observes the test result and the unit will store the test result and at some later time it can unload those results either to the analyzer or to BAR.

And then he'll basically release the clamp, which in most cases will let the pressure out of the

system through the canister. And then finally, take the adapter off and put the gas cap back on and turn off the pressure supply. And that's pretty much the entire sequence.

[new slide]

Also, as we get to the next slide. We just went through the test walkthrough. The unit will let the operator know if there's a problem by the use of several error codes, and some of them are actually sentences so you don't have to, you know, look from one thing to another to know that there's a problem such as you ran out of the gas that you're using for testing.

There will be some vehicle exceptions which could be vehicles either that BAR prefers not to test or vehicles where it is simply too difficult or just not practical to get to an appropriate pinch-point. I expect that that list will be developed as the program progresses. There isn't necessarily a comprehensive list now that applies to the California fleet. The target value is somewhere between 85 to 95 percent of the vehicles that can be tested.

We covered a little bit the use of adapters. There will also be a selection of hose clamps, some

longer or shorter than others so that the technician can reach into the engine compartment to get to some of the less accessible hoses.

And I covered the repair diagnostic features, and Glenn will get into the use of the smoke technology a little bit more.

And of course the integration with the other diagnostic tools to where there's some additional economy for a shop who already is performing the inspection because he can use the inspection tool as a very safe source of pressure for some of the other other diagnostic tests.

[new slide]

At this point there's a little more certification work to be done here in Sacramento before the equipment is certified. And I can't speak to the other manufacturer who's also involved in the program, but I know that's also true for them, I just don't know what their time line is.

As Dave mentioned, there will be focus groups conducted, probably with some of ESP's existing customers for our part as far as the contribution we can make. And the effort here will go to learning if there are any additional issues that the industry

wishes to bring to our attention before we're in production, so we'll involve the use of several prototypes.

And of course the BAR beta testing involves field testing of at least 50 units that will be at different sites for some period of time.

We think that the sales efforts may actually begin toward the end of this year. The target for making the test mandatory is early 2005.

Ordering and purchasing information, pretty simple. Probably just most — well, current ESP customers, which are over half the program, will just call the service number that they have now and then the rest of the users can, you know, call whichever of the manufacturers they want, but it's pretty much, you know, you call in, place your order and somebody shows up to install it.

The software is flash programmable, so if updates need to occur specifically to the evaporative inspection unit, that can be done via phone lines.

One-year warranty and depot exchange. Because, as you can see, the unit's very compact. In the case of these two manufacturers, if there's a problem that can't be fixed over the phone or using

automated diagnostic features, they can just send the unit in and have one shipped out to them the same day. A little more convenient than with the large analyzer or dynamometer, obviously.

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In summary, the new technology is sophisticated and robust. The basic test and the diagnostics are very simple and direct. Dramatic benefits for air quality and occupants considering the low costs involved. ESP/Waekon cooperation has improved the efficiency and the economy of getting this test out into the field. Training and vehicle look-ups will be supplied. Either an '04 or '05 rollout with professional support of the trained support technicians that have been in the field for several years. And the motorist of course gets gas savings as well as health and safety benefits.

Thanks very much.

CHAIR WEISSER: Thank you. Is there another part of the presentation?

MR. MOW: Yeah, Glenn's going to follow me now with the smoke diagnostics.

CHAIR WEISSER: I think we should really hold questions until we see that.

— o0o —

MR. RICHARDSON: Hello there. My name is Glenn Richardson. I'm with STAR EnviroTech and I'm here to show you a little smoke and mirror show. I know everybody wants to joke about it, but after you see the presentation it's no laughing matter.

[new slide]

Smoke technology has been around for about nine and a half years, and one of the first things that people always say to me is, what is smoke technology?

Smoke technology, what it is is it's a technology that makes the invisible visible. When is the last time you've seen an air leak? You don't, but we actually do. In fact, this picture right here which was actually on the front cover of Motor Magazine in an article that was written about smoke technology is a simply type leak that's on an injector of an intake manifold.

The technology is quite simple and just basically goes into the system being tested. Originated for basic type intake leaks that we'll talk about in a second. And wherever it comes out is a visual answer.

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So how and when did smoke technology start? Well, it actually started from a high school auto instructor in Galveston, Texas in the early nineties trying to indicate to his kids or show his kids how important it was to put all the pieces back on the car. And when they told him that they already were, of course he always had an argument. Well, the argument was I don't think you did. Well, he had to come up with a way to prove it, and the way he came up with of proving it is he created a machine that made smoke, he pumped it in there and he could actually point to the kids and say, hey, here's where it's leaking, until it got to the point where the kids could actually do it themselves.

[new slide]

So who's using this technology today and where has it come from since then? Well, here are some of the dealerships right there that is actually using it. It's not only recommended but it's a required tool. And you can see by the car companies that are up there who is actually using it for EVAP testing. In fact, 69 percent of all North American

dealerships in our country and Canada are now using this for evaporative emission testing.

Have they used other type of testing before? Well, sure they have. Why did they choose this type testing? Because it was one of those things that they couldn't argue with like the high school instructor and the kids; they could actually point out their own problems.

Like I said, when is the last time you've seen an air leak? Or what if that air leak's in a location that's hard to see; how do you determine where it's at? And with some of these systems we're looking at today, as I'm going to show you here in a minute, there may be a lot of hoses. In fact, it's the largest plumbing system on the car, and you take a leak the size of a hair or half the size of a hair, how quick can you take and find that leak and how positive can you be about it when you find it?

[new slide]

So what we're going to do for some of the people I was told that there was many different types of people in the room, some who knew about mechanical stuff. My background is automotive mechanical, so what I'm going to do before I do the actual EVAP test

up here is I'm going to go through a little simple terminology that I use on an EVAP system. I'm going to grab something here up front so I can point.

This here is mock-up models I made quite a few of them from brands and makes and models of cars. This one here happens to have some similarities to a Ford enhanced '97 EVAP system, and what I'd like to do is first of all change some of the terminology for people who are not into the garage atmosphere every day, and I'm going to start with right at the very top at the front here, and that's a vent valve. I always considered that as kind of a terminology and called it the back door. The back door of the system is always open no matter which brand, make or model of car it is.

The next thing that goes down to it, and that's the vent valve right there, the next thing is the charcoal canister. I call it the sponge, it's the item that actually absorbs the hydrocarbon and stores them until it can later be taken away.

And of course we have a rollover valve and a valve that actually goes from the tank that goes to the charcoal canister. Fuel tank I've known as the house that houses the fuel.

At the front we end up having a purge valve that activates and opens up when we want to take and clear out and clean our sponge. Obviously it has a line going to the engine so that it can actually do so.

And with that said, when the vehicle, the fuel starts to expand or they start to get fuel in the tank, as you can see, the hydrocarbons come out the rollover valve, go into the charcoal canister, through the charcoal canister as it goes through there hopefully capturing as much of the hydrocarbons as it can and bleeds out the fresh air. And this is how the system actually works under the day-to-day conditions, especially on a day like today when temperatures change from the fifties to, I guess it's going to be in the nineties out there today. Fuel expansion is something that definitely happens.

With that said, what ends up happening after the charcoal canister starts to get enriched with hydrocarbons, the next thing that happens is the engine starts up, they go down the road, a purging effect happens, fresh air is allowed to come in because the front door opens up, and when the front door opens it allows vacuum to suck through the

system, coming through, bringing fresh air into the charcoal canister, out of the charcoal canister through the purge valve or front door and out to the engine and burning it.

Okay. With that said, that means that there's quite a few hoses, connections, valves, tanks, gas caps and many other items that are in the system that can have a leak or a continuous amount of leaks that would be enough to take and cause the check engine to come on or failure to the system.

And with that said, we're going to go up and do a demonstration, but I'm going to need some help from people on the board to do this. And without the microphone I'll just speak a little louder so everybody can hear, I hope that's all right.

CHAIR WEISSER: Does this demonstration entail breathing in the vapors?

MR. RICHARDSON: Absolutely. That's where I lost my hair. Just so that you go through with that part of it, there was over two years of tests on General Motors, Chrysler and Ford, each of them on their own because the number one thing that they were scared about was they asked what you just had, and so

we can address some of those questions later if you'd like.

With this system I have right here is a 2003 Hondai Sonata or what would be our enhanced system. It is complete and is accurate as to how the car works and functions today on the road. To simplify a few things, what I'm going to do is I'm just going to end up hooking up into it, turning the system on, running it and we're going to find the leak.

Now, none of you people up here have ever used smoke technology before, correct? And so therefore, today you're going to be trained and certified in how difficult it is to use this technology. With that, I'm going to need your help in a minute when I ask you to, and that is to look for the leak, and if you can find the leak from where you're at, you will be officially certified on how to leaks with smoke technology.

Now it's complicated, we don't have no mirrors here or anything so you're going to have to rely on the light, and when we get done there we're going to add one more piece of equipment to it that even makes it even better yet.

All right. Make sure it's working here.

All we end up doing is take a line that creates smoke, turn it on and plug it into the system. Remember that I said the back door is always open so we need a way of closing it, because what will eventually start happening as the system turns on and starts to make smoke, as you can see it starts to come out the very back, and all we end up doing is just shutting the back door like probably some do with scan tools. There's different ways.

You mean you found it already? Well, wait a minute, stop here a minute. Hold on. Did you say you found it? Where is it? Okay, you're certified.

Now (inaudible) I'll fix this one. I thought it was going to be a little more difficult than that. I mean, you aren't going to argue that that is or is not a leak, right? Brought my screwdriver with me because, you know, airplanes of today. Yeah, turning the light on is one of the more complicated parts of the system, I will agree with that. And the other one you have to learn to remember to turn this back on.

So okay, with that fixed now it's your turn. Go ahead and see if you can find any more leaks. Oh,

you found another one. Okay, you're certified. Now to the next.

You can see where I'm going with this. It's as simple as wherever it comes out is where your leaks are. And if you were to actually at this point test this there's about 30 leaks in this machine here right now. Go ahead and turn the light on there, see if you can find any more. Go ahead. Got one right there. And how many feet away are you from it?

MALE VOICE: (Inaudible)

MR. RICHARDSON: Okay. Let's just do one other thing real quick here. Let's take this tube, you've already got the light. Let me see the light. At the end of that tube there's a hole, okay. And now that hole somebody earlier (inaudible). Now, earlier in the conversations there was talk about what if there was a hole in the top of the gas tank or what if there was a leak someplace you could hear it and you know it's there, and in fact in some cases what if we could even see smoke coming from an area? Where exactly is that leak?

Time is money in a shop, okay. So what we're going to do, if I can get my hose up there, is we're going to show you a new technology and STAR

EnviroTech is the only one that has the technology for this, and that is a way of sending trace dye airborne. Now, there's a lot of misunderstandings of this system and a lot of people don't believe that it actually works.

There's a hole on the end of that, so what I want you to do, I want you to shine that light right on the very end here, and you can see that at this point, so take your other hand and put it over there, and we're going to have a contest between you two. Shine that so when the smoke goes out it goes right in his face. You ready? Tell me if you start to see something on the end of that line. Look on the very end. See anything yet? How many seconds did that take? Now do you know for sure where that hole is? Pretty much dead center. How big is that hole, do you think? It's small. That's a 30,000th hole.

You can go ahead and and if you'd like take the glasses and hand the box to somebody else, don't shine it in anybody's eyes, and all you have to do is a momentary switch.

So there once again what do we do? We make what's invisible visible. We can take an air leak the size of a hair and make it visual. Just go ahead and

pass that down and let them shine the light. And don't wipe it off because the next person won't be able to see it. But that's also good also because if you wipe it off that means you're can retest again, it's as simple as that.

And there's situations where, you know what, even within facilities that I've used this in, at the end of the day they end up taking and going, you know what, (inaudible), don't have time today to do it, we'll pull it down tomorrow or the next day. They pull the tank down, because a lot of times when you pull the tank down you can't – you have to disconnect. Look at some of these hoses here. You have a disconnect (inaudible) you pull the tank down the next day, the stain is still there.

CHAIR WEISSER: So is this bundled separately?

MR. RICHARDSON: This technology is something that's sold in the aftermarket right now through many different companies that actually allows not just California but any state out there that has check engine lights that come on in OBD II cars. They have to take and (inaudible) where is that leak and what are they going to do about it.

Vince asked me to come here to do a showing of how other technologies have already been invented out there. Already not only been invented but adopted by 69 percent of our OE dealerships in our country and Canada that uses this technology consistently and faithfully every day.

And the other thing that if you noticed at the beginning of my presentation I had several pictures up there. It was originated to be used for things like vacuum leaks, exhaust leaks, oil leaks, water leaks, wind noise leaks, and I could go on for hours. In fact, I'll give each of you a business card and you can go ahead and find out many different things these things can actually do I'll be more than glad to send you a packet of information. I didn't want to go through that today. Today I only wanted to go to where it went to and that's the EVAP testing.

VICE-CHAIR COVELL: (Inaudible)

MR. RICHARDSON: Right now I've been working in some outside sources of other different companies, yes. I can't go into too many of them right now. For instance, we're into the military doing (inaudible). We're being used in nuclear power plants. We're being used at manufacturer assembly lines all over the

country, and other countries. So anybody that wants a business card –

CHAIR WEISSER: Yeah, I think we're done with the PowerPoint now and I think we should move to further committee questions. Norm, we'll start with you.

VICE-CHAIR COVELL: Vince, back to the data in terms of the amount of leaks, what your study showed, I'm curious as to (inaudible).

MR. MOW: Are you talking about the economic data?

VICE-CHAIR COVELL: I guess the amount of hydrocarbons that (inaudible).

MR. MOW: The 22 tons per day? Norm, that was actually – the 22 ton per day number is actually the BAR and CARB estimate of, I think it may have been an EMFAC estimate on the value of the evaporative test for this particular fleet.

MALE VOICE: I think the 22 from the ERG report looked at liquid leak and gas cap and some of the evaporative emissions, I think that's the source of that.

CHAIR WEISSER: Is that 22 tons, is that something that would be SIP credible?

MR. MOW: That's a tough question. That sounds like an ARB question.

MALE VOICE: I think (inaudible) what the emission reductions would be, but I guess those emissions are in the inventory and once we see what the test is actually doing, yes, that is credible.

CHAIR WEISSER: So the answer, this is (inaudible) from ARB, is that they need to check it out, but if indeed these are real current reductions they would be SIP credible.

MR. MOW: And also, Mr. Chairman, another thing to take into consideration there is that if you look at the targets for reductions from just the gas cap test alone, there's a fairly large percentage of those reductions that aren't achieved in real fact even though they may be SIP credible, because those vehicles also have evaporative leaks. So if you replace a fuel cap on a car that's leaking from the EVAP system elsewhere you're not really achieving the reductions that you're after.

CHAIR WEISSER: Good point.

VICE-CHAIR COVELL: And I suspect highly that this is going to vary around the state. I'm more interested in what's occurring on a hot day in Fresno

and Sacramento than I am with what's going on on the coast. I think it's a lot bigger problem.

I understand that some years ago you didn't have to use your car, you could leave it sit in your garage on a hot day in Fresno and you could saturate that system and you're going to get boil-off in the garage and never start your engine.

MR. MOW: Absolutely.

VICE-CHAIR COVELL: So I'm concerned about that and the fact that's probably a bigger problem in the Imperial Valley and perhaps the eastern end of the South Coast Air District where the ozone problems are more pervasive, more persistent than they are in other areas of the state. I think that (inaudible) quite a bit of attention to what that strategy can actually do in those areas where it's more of a problem.

I mean, you can get sucked under in terms of believing statewide averages and things, and I'll give you a good example, and that's pleasure crafts. You take a look at what those things do statewide on the inventory, it's a few tons a day. If you look at it in terms of what problem does it present to us here in Sacramento for using ozone when it's a problem which is a hot summer day, you equate that inventory to

what's going on on a weekend here in July and August, then it becomes a 30-ton-a-day source of hydrocarbons in the air. So fairly puts it into perspective.

I'm not suggesting that you take a look at this problem it's going to vary around the state based on the temperatures that we have to deal with, and it's something that's more problematic that I think needs to be given that greater consideration if we look at it for control strategies in different parts of the state.

I guess my question to you, Andy, is, is this part of the impact inventory for mobile sources right now, this evaporative test?

MR. PANSON: Yes, that is something that's included in the impact inventory. And when we are doing SIP we look at a seasonal inventory, so when we're doing a SIP for ozone we're looking at what are the evaporative emissions in the summertime, those are temperature dependent and we're using summer temperatures to where we're looking at the effect of the hot summer days in Sacramento, so the evaporative emissions during the summertime would be more than they would be on a cold winter day, so when we do

plans we do take into account the seasonality of the emissions.

VICE-CHAIR COVELL: And I think the other thing to be aware of is that as we as a committee look at this, we would tend to be focusing on this problem in terms of how much it would include the Smog Check program to get a good efficient EVAP check and repair program going, but you haven't really addressed the entire problem. A lot of vehicles out there that don't go through this program just sit there and evaporate stuff into the air.

And I don't know what the comparison is in terms of evaporative potential between diesel and gasoline, but when you look at our off-road fleet, which is a tremendous problem in Sacramento nonattainment area, I don't think we've even (inaudible) evaporative loss potential of the off-road.

MR. PANSON: Yes, and that's actually something that there's ongoing work. In the latest version of our off-road emission model something that's been incorporated in the 2003 SIP and the upcoming SIP, that's the first time that we actually included evaporative emissions from off-road engines

such as lawnmowers and things like that. It's one of the big improvements we've made since the '94 SIP.

If you remember I think in either '98 or sometime in that timeframe we adopted regulations to reduce leaks from portable gas cans. That's a big source. It's a large emission reduction measure. Those are emissions that weren't even included, we didn't even know about them when we did the '94 SIP, so that's an example of how we are advancing our understanding of evaporative emissions on the off-road side.

CHAIR WEISSER: Are you only doing off-road or are you also doing other federal sources in your model?

MR. PANSON: Yes. You mean federal motor vehicle sources?

CHAIR WEISSER: Marine sources, airplanes, trains.

MR. PANSON: Yes. We're advancing our understanding, you know, we're trying to run all sources one at a time essentially.

CHAIR WEISSER: Bruce.

VICE-CHAIR COVELL: Yeah. Could somebody just give me a thumbnail comparison of evaporative potential between diesel and gasoline?

MR. MOW: Diesel really doesn't have the extent of hydrocarbons by a long shot, I mean by a very, very small fraction. However, some of the other toxics can come from diesel, but in terms of volatility, which is really what's driving the leak, it's the RVP of gasoline that's the primary culprit

MR. PANSON: Yes, gasoline is many, many times higher. And I think, and I might be wrong about this, but I think that actually diesel evaporative emissions aren't an impact because they're so low compared to gasoline, so that should give you a sense of the comparison between the two.

CHAIR WEISSER: On my last trip to Europe I met with some German regulators who had indicated in a discussion I was having with them and some environmentalists I was questioning why (inaudible) for selling diesel powered light duty trucks and cars compared to this country where we're all gasoline except for I guess the jets. And one of the environmentalists indicated that the reason they favor

diesel in Europe was because of the reduced toxin emissions that occur with evaporation.

Of course, the environmental community is very concerned with other aspects of diesel emissions, but it's interesting how the two communities differ.

Further questions?

VICE-CHAIR COVELL: Yeah, just one. Relative to, I guess the necessity of the system to operate effectively doesn't require the engine to be operated and if that doesn't occur it would present the scenario that I did earlier where you've got a car sitting in a garage in the middle of August here that's never moved for 24, 48 hours. You know how hot those can get inside. How problematic is that for the system and does it have the capability now to capture the resulting vapors from a system that's essentially nonoperative for a 48 hour period, or does it become an emissions source that we need to be focusing on?

MR. MOW: In fact, Norm, you may want to also get BAR's perspective on that, but there are limitations to this test. The gas cap test and the EVAP test together are very complementary, because by that means you're testing everything up to the

canister, not including the canister because you're pinching off the hose before the canister.

As you might recall, in the history of I&M the EPA originally promulgated regulations for a test that included the purge system, which is everything that comes after the canister. What the EPA didn't do, however, is provide a method for performing the test before they put it in the regulations, and that really is more than anything else is that's what's caused the nationwide failure of most of the states that had evaporative testing in their SIP to go ahead and do the darn test. And in order to get sort of a graceful way out of the problem EPA said, well, we screwed up, didn't give you a way to do the purge test; therefore, you don't have to do any of it except for the gas cap test of course, which has become pretty ubiquitous.

There are certainly other measures that could go into effect, but I don't know even at this late date if purge testing is feasible in and of itself. For what it's worth, the EPA model that had been in use for quite some time was that each of those three types of tests accounted for about a third of

the EVAP that could be controlled. Gas cap, evaporative pressure and then the purge test.

But to go back to your question, when you saturate a canister, you've basically used up your only safety buffer to prevent hydrocarbons from going into the air. And in the case of an attached garage, the hazards to the occupants of the home that's attached are pretty severe. And the same, I might add, is true for what Andy was mentioning for smaller engines and things, people that store lawnmowers and fuel storage in their garages are basically asking for trouble over the long term.

VICE-CHAIR COVELL: So the bottom line (inaudible) that you could take your car and get a smog test that includes this test at the point we begin doing it, and you pass that, and the effectiveness of passing is going to be somewhat dependent on the use of that vehicle. If it's going to sit for long periods of time, you're going to lose, stuff's going to escape out of that and get into the air.

MR. MOW: Um-hmm.

VICE-CHAIR COVELL: Which would come from a vehicle that's been tested in the past for EVAP.

MR. MOW: Sure. And if you go back to the federal test procedure, they look at running losses and resting losses as two different types of emissions, and the evaporative test of course has the advantage of having an influence on both running losses and resting losses, but when the car is at rest for an extended period in very, very high temperature conditions, potentially canisters can become saturated.

Another element that I don't know if it's really within anybody's ability to deal with right now is that we don't have any measure of how good a canister is when a car gets five or six years old. It's not like anybody goes in there and tests the charcoal to make sure it's still functional. That's a whole new can of worms.

I mean, I would go back to say that we know how to do this now and it's taken quite a number of years to develop the technology to this state, and there's no doubt that the effect is measurable and profound. In terms of what CARB's going to be able to do with EMFAC, a lot of it's going to come down to the actual fail rates, and Dave can certainly speak to that.

CHAIR WEISSER: Dave, you have something you'd like to add?

MR. AMLIN: Yeah, if I could add a couple of things. One is that the carrying capacity of the canister on new cars is substantially more than the original systems we started back in 1970, so in terms of how many days on a hot summer day will cars go ahead and absorb that, it does vary significantly between the new vehicles and the very oldest vehicles. The other thing is that over time the canisters do deteriorate for a number of reasons. Some of the older designs were open on the bottom and literally after a car has traveled a couple hundred thousand miles over bumps and everything else some of that is literally pulverized and left the system. And so you get down to the oldest cars, there's not much left. First of all, they have a substantially reduced carrying capacity in the first place from their original design, and what they've done with the technology for newer vehicles and so on, but the other is there is a little bit of oil in the fuel and everything else, all that contaminates it over time so they do lose carrying capacity, so when you get down to some of the oldest vehicles that's a concern.

That's one of the reasons the Air Resources Board is doing the parts replacement study. They are looking at canisters, catalytic converters and I've forgotten what else. And clearly, the capacity of the old systems are so much less than the new ones if all you did was put new canisters on old cars they would have a substantial additional ability to go ahead and store fuel vapors.

We actually went to wrecking yards and we did go ahead and actually pull a lot of old canisters because we were curious if they were any good at all. We were surprised that there were canisters that were 30, 40 years old that were able to go ahead and absorb fuel vapors, so we didn't seem to find a lot with with no carrying capacity, but again, a lot less than what a new one would carry in terms of weight.

VICE-CHAIR COVELL: I guess for us the greatest focus is on trying to reduce emissions from the fleet that's out there on the road right now. We're given to understand we're going to see a shift in our fleet (inaudible) from the fleet that's out there on the roads and perhaps provide repair assistance in areas like that. I could well see that, based on the research and data (inaudible) in addition

to catalytic converter replacements we might be looking at that canister and things like that being replaced in vehicles that are on the road at this time.

That's all the questions I have.

CHAIR WEISSER: Members of the committee? Bob.

MEMBER PEARMAN: Mr. Amlin, do you have any idea what the added cost would be to the consumers if this is added to the test? Two dollars, three dollars, five dollars, nothing?

MR. AMLIN: It's been a item of some debate. We think in terms of actual time that's being added to the test if you're not doing anything else isn't substantial. And also if you amortize the cost of this equipment over all of the test, it doesn't add much. But the bottom line is that our California free market system stations are free to go ahead and charge what they want, and it's hard to say what they will. It's like the Bay Area, we can go ahead and say what it costs for a BAR 97 ASM system, but then when we see the inspection costs we're not sure there's always a great relationship between the equipment costs and test time and test costs, so it's kind of speculative.

If you go ahead and you amortize it across and you say it's going to add a couple minutes on each test, you know, it could be like you said, probably two, three dollars, something like that, if you said here are the hard costs to go ahead and do that. But what will somebody charge? Some will probably say it'll be no more and others will go ahead and charge something substantially more and try to make all their money back in the first year or something like that. So it'll take a number of years probably to go ahead and sort all that out.

MR. MOW: I'll just add to Dave's comments that I did run an investment analysis just more or less for my own entertainment, and I'd be happy to share that with you. But using some very conservative assumptions, I think three or four bucks increased test fee and an average repair cost of $100 based on a 10 percent fail rate for a shop that only does 800 smog tests a year.

And for the total purchase of equipment including the smoke diagnostics it ended up less than a one-year payback, so it was a rate of repair of over 100 percent per year on the investment.

MEMBER PEARMAN: And Mr. Amlin, how is the Systech different than the other manufacturers, is theirs going to be different than the one presented to us today?

MR. AMLIN: They're pretty similar. Same thing. You're hooking up the same way, pinching off, all of that part of the test has really been pretty standardized. It's a matter of more probably marketing than anything else, software and packaging on it.

MEMBER PEARMAN: And cars that have the OBD II, does that eliminate the need for this test, does it essentially duplicate or replace it that the light will go on when something like this occurred and how is the relationship there?

MR. AMLIN: That's the intent is the vehicles that have OBD for EVAP would not be required to have this test. Most by 1998 did have EVAP capabilities. Some of the early systems did not. They had other functionality but they got a partial waiver for that system.

MEMBER PEARMAN: Thank you.

CHAIR WEISSER: Jeffrey.

MEMBER WILLIAMS: Neither one of you talked about what shall I call human ingenuity (inaudible).

MR. MOW: My comment would be that, because it's essentially a leak test, that if there is any leak in the system it's going to fail the test if it exceeds the threshold, which will either be 20/1000ths or 40/1000ths relative aperture. If the consumer is so ingenious as to make all the leaks go away then he will have effectively repaired the evaporative system.

MEMBER WILLIAMS: But what (inaudible) something like this that's leaking stuff all the time?

MR. AMLIN: In general when we go ahead and we try to do – that's one of the reasons we say up to and some uncertainty in terms of numbers, a few things can cause the uncertainty. One is evaporative emissions are substantially different between cars and there's a ton of data so it's hard to go ahead and pin down the exact ton within that.

The second part of the equation is human behavior, and that's how well will they do? When we've done some of our analyses before we've compared it to other functional tests and we look to see what we get for compliance rates. Typically, the things that kind of affect it are how automated is the test,

how many opportunities are there to go ahead and bypass it, skip it, whatever else? How difficult is it and things like that. And the most complicated a test and less automated it is, the less likely it'll be done right.

In this case we've tried to do as much as we can to go ahead and automate it and we're going to have some tamper resistant features in the device that will recognize things, will be able to tell from the data if you've tested the same car over and over again or if you have a empty tank and you go ahead and plug it into that and you did that over and over again. Of if you tried to put your finger over the end, we'd recognize that there was no volume variant (inaudible) knock that out from a test. We're going to go ahead and try to build some levels of tamper deterrents in there. There's nothing you can do that will make it tamper proof, and so we know that we will lose some portion of that benefit, and that's in part why we were all being conservative and reserving any final estimate on tons is that reality you get to see what you actually get, how well does it actually work.

A thing that we've done, for example, on other types of tests is we've measured on roadside.

On gas caps, we measured on roadside what the gas cap failure rate was before we implemented the program we measured where it was and that's what we used to go ahead and calculate the emission reduction.

Our plan is to go ahead and do the same here. We'll go ahead and we'll collect the data on the roadside before, we'll collect it afterwards and we'll see what the change is. And if we thought that there were 20 percent of the cars that had leaks but only half of them are being repaired, then that's what we'd go ahead and take credit for. So that's where we want to go ahead and get the reality at the end. We try to do everything we can to design to minimize those problems.

MR. MOW: And again I would just add to that that Delaware's experience was that most of the repairs were fairly low cost, so the intimidation factor to a lot of motorists that makes them avoid the tailpipe failure generated repairs should be a lesser factor. And frankly, it should be the job of the program to inform motorists that they stand to gain substantially in terms of gasoline reductions, encourage cooperation.

CHAIR WEISSER: Thank you. Mr. Hotchkiss.

MEMBER HOTCHKISS: This equipment interfaces with the smog machine; is that correct? So the technician doesn't actually determine pass/fail, the machine does it and tells the smog machine that?

MR. AMLIN: We'll add that capability but not initially because the analyzers would have to have software updates to go ahead and have the interface software for this. The devices will be capable of it essentially from day one, but we're going to probably go ahead and mix this in with some other future updates so that we don't have to do a special one for this. That and it will take some time, so it will be able to go ahead and stand alone and it will be able to go ahead and download that data for our program before it's connected to the analyzer.

CHAIR WEISSER: Down to Gideon, any questions?

MEMBER KRACOV: Nope.

CHAIR WEISSER: I have a few, but first let me put my Dennis DeCota hat on, and one of Dennis's questions is that, when the program first was discussed they were talking about the equipment cost being $1,000 or less, and the cost now I understand you're stating $2-3,000. I guess I have to direct

this at BAR. The implications of that cost on the test-and-repair and test-only ownerships, how does that impact their ability to amortize the investment in terms of the number of tests they need to run? What are the implications of this on the price of the test to the consumer? And does that figure of $2-3,000 include any installation charges of the equipment, any integration charges with the existing equipment, charges associated with hooking the equipment up to the reporting system to BAR, and the initial software initialization of the equipment and the updates of the software to the equipment? And I should mention that he only asked is the equipment going to increase in cost, are we going to see further escalation of the price. All the other questions were mine.

MR. AMLIN: Dave Amlin. I think this is like a memory test now because we did do workshops, public hearings for a regulatory process sometime back and I believe that our estimate at that time was about $2,000, so in terms of any previous number I guess that we stated before, at that time we thought it would be about $2,000, but at that time there had been nothing done really to solve the issue of how to go

ahead and compensate for the vapor expansion and all those kinds of things, and I think as Vince has explained, it did take a substantial amount of effort not only on our behalf but on theirs to go ahead and make some additional changes to the device to go ahead and do that compensation, so I think at this point I think there's a belief that we understand most of what there is on this. The only thing we don't left for feedback is the issue of the beta testing at the sites and any kind of focus groups with the shops to see if there's inherently something more that they want that could impact the cost on this, and so I think probably of anything else that's left.

I think that the cost so far will include, I mean pretty much these things can be drop shipped. They're not complicated to use. You can have instructions. BAR does not intend to go ahead and require them to get a new certification for EVAP testing certification or something like that. We don't plan to make them buy any other diagnostic devices. We plan to include either with the device or the state's going to go ahead and buy directly and distribute the look-up guides and manuals and procedures that'll go with this. It'll include the

first year warranty that's always been something that was intended to be included in here. Again, it'll include the download/upload capability and the ability to communicate with the BAR 97.

I think the item it doesn't include is on the BAR 97 side it requires a software update. Obviously that's something that's separate. Again, I was hoping that we would go ahead and combine that with some other updates or needs. For example, if we added repair cut points or something like that, that we would have this communication capability mixed in with that so that we wouldn't have to do a special update.

CHAIR WEISSER: So there would be no software costs associated with this beyond that which are edited to the equipment upon delivery to the test-and-repair and test-only stations?

MR. AMLIN: Well, again, there could be something on the BAR 97 side. And even if we combine it with something else, some of that may be on the device.

CHAIR WEISSER: (Inaudible) in the enhanced areas it would all be packaged together.

MR. MOW: As far as the initial rollout is concerned, we don't see any other costs being incurred until integration with the BAR 97 analyzer comes down the road. There will be some operating costs if the user chooses to use dry nitrogen, which is an option and it's a recommendation by several manufacturers but it's not required. They can use very clean dry shop air and it accomplishes the same thing.

CHAIR WEISSER: So let's say we're talking $3,000 at the worst case. And what's your estimate, Dave, in terms of the equipment the basic I&M240 equipment as it now stands, what number are you using to say this is how much, 40,000, 50,000, 30,000?

MR. AMLIN: You mean the ASM equipment, the BAR 97?

CHAIR WEISSER: Right.

MR. AMLIN: Mid thirties, maybe 35,000.

CHAIR WEISSER: So you're talking about a 10 percent extra investment that you would be asking the test-and-repair and test-only facilities to make for this piece of equipment?

MR. AMLIN: A little less than that, yeah.

CHAIR WEISSER: A little less, okay. Would it be fair to expect that that cost would be reflected

in an increase in the charge made to consumers for taking the test?

MR. AMLIN: Businesses are going to do what they need to recoup the cost of their equipment.

CHAIR WEISSER: So it's purely a reflect of how much the market will bear in terms of their costs, and you can't really anticipate what the impact might be on the consumer side; is that correct?

MR. AMLIN: Well, I think we can estimate it to some degree, but it is just that. We can estimate what the cost might be because we can go ahead and take the number of inspections, we can take the cost of the equipment, we can go ahead and amortize that over some period of time and we can say how much time it's going to add to the test. And I think as was indicated earlier, that might be two or three dollars. But in terms of what somebody may want to charge and whether they want some additional profit, things like that, that's what we can't predict.

MR. MOW: Mr. Chairman, I have an economic analysis, as I mentioned to Mr. Pearman earlier after one of his questions that I'd be happy to share with you, and it just takes into account some common assumptions for an average shop and it showed that at

three or four dollars they'd see a rate of return of about a hundred percent per year if they purchase both the inspection and the smoke diagnostic equipment, so I was trying to make that a very conservative analysis.

CHAIR WEISSER: I would like to see that.

MR. MOW: Sure, I'll get you a copy of that.

CHAIR WEISSER: I'm a little curious. The exceptions that you noted, you have had some exceptions because of the particular location of different tubes and whatnot. That wouldn't be or would be included in the guide that's provided to the operator (inaudible) I'm sure it'll show that nice picture with that nice clean arrow going to that nice clean hose. I'm only saying those words because whenever I used to do work on cars before (inaudible) I always noted that those in those trade manuals the pictures in there were devised by men from Mars (inaudible).

The exceptions then are going to come up later, they're not going to be included in the information or manuals that come out but they'll be generated through exception reports or reports you get from field testing?

MR. AMLIN: We anticipate up front that we will go ahead and list known exceptions. I think that we have requested or tried to get data from other states that have done testing to go ahead and look for exceptions, but we'll try to list which cars we think can't be tested and the cars that can be tested where are good points to go ahead and clamp off that. And then of course as we get more program experience we can add or delete from that list.

MR. MOW: And of course one of the EPA's targets early on had been 85 percent of the fleet, which has turned out to be a pretty practical number for the programs that really are very intent on maximizing it. That number can actually be improved on with the addition of the visual look-up tables, but we don't know what the maximum testable number is basically because no state, including Arizona that I know of, has been as aggressive as they could be in determining what those applications are.

And really it's going to be governed by how long a technician wants to take to try to locate tubing. Even the visual look-ups will be very comprehensive, they'll have thousands of applications, but they probably will only have about 40 percent of

the known applications out there. The similarities between the vehicles that are in there and other vehicles are such that once a technician begins performing the test he'll learn what to look for and even to identify tubing when he doesn't see canisters, so I think it's reasonable to say that part of the program evolution will be maximizing the number of applications that can be conveniently tested.

CHAIR WEISSER: I know I raised this question earlier but I want to return to it, and that has to do with breaches in the system caused by the test (inaudible) that the pressure itself is not something sufficient to be particularly concerned of in terms of damaging the equipment, but I still am somewhat concerned associated with the actual crimping of the hoses based on just on my personal experience. And while you indicated that, yeah, you just have to have ready hoses or a reel of the correct hose thing and the right kind of clamps to fix that breach, I'm just kind of worried about the nature of the relationship that is going to emerge between the Smog Check operator be it test or test-and-repair and the consumer, that we're opening many opportunities through the actual crimping to destroy hoses, and I

just bet there's going to be a lot of arguments between customers saying you snapped our hose off or the connector off or whatever and the operator saying, well, you know, you were operating something that was being held together by spider webs, it's old and it's decrepit. What do you do, how do you handle that sort of thing?

MR. AMLIN: Again, I think it's similar to what happens today, the fact that people go ahead and do functional EGR checks, at least in all the basic areas and before, everywhere, you know, literally millions and millions of functional checks that required people to go ahead and pull off lines and some of those crack or break. And I think it's the normal shops have reels of hose right there and I think that they can go ahead and replace that.

I think in many cases if you snap off a piece of hose that was six inches long and you've replaced it, chances are I bet the normal practice is that people probably don't mention it to the customer, would be my guess.

CHAIR WEISSER: Well, that just seems to be putting a burden on the providers, the Smog Check providers, for a significant downside in terms of not

only customer (inaudible) but money, so I'm a little worried about that.

MR. AMLIN: I would just suggest that it's not that much different than the rest of the repair business. There's always a chance when you go ahead and repair something that you can go ahead and break something along the way.

CHAIR WEISSER: Well, I'll be interested to see what your focus groups show you, and also interested to hear the questions and comments from the public.

It's now 12:23, and members of the committee, what I'd suggest is I'd be interested in hearing the comments of the public now rather than after lunch, but I recognize we've been going for three hours with no break, so you give me direction as to whether or not you want to make the lunch break now or hear questions or comments from the public at this point on this item. So all in favor of going to lunch now please raise your hands. Okay. So we'll now hear questions and comments from the audience on this and then we'll take our lunch break and return and move on in our agenda.

I want to thank everyone who's made a presentation so far, I think that you've done a marvelous job in presenting this technology. Relatively simple in concept but awfully difficult to bring to fruition and execution, and you should be really quite pleased and proud of yourselves. I'm looking forward to seeing how it brightens and is implemented how some of these issues such as SIP credit and other things get worked out.

MR. MOW: Thanks, Mr. Chairman.

CHAIR WEISSER: It's an opportunity for some tremendous emission reductions at a very cost-effective rate. So we'll take questions. Mr. Peters. Oh yeah, Mr. Kracov.

MEMBER KRACOV: (Inaudible) You mentioned that you're looking for 85 percent of the fleet, but earlier you had mentioned that the newer cars with OBD systems are not going to be subject to the evaporative test.

MR. MOW: Correct, yeah.

MEMBER KRACOV: So it's 85 percent of what number?

MR. MOW: I should have qualified that by saying 85 percent of the pre-'96 fleet. And, you

know, there is some potential for testing ‘96 through ‘98 vehicles, but frankly, the EVAP systems were designed in such a way as to make access very difficult. But the number, if you’re concerned about it, the number for vehicles that are not equipped with the evaporative monitor for model years ‘96 through ‘98 is roughly 50 percent. There was a phase-in that called for 20 percent the first year and I think 60 the second year and then 100 percent in the third year.

MEMBER KRACOV: What percent of the cars that are in the program then are we talking about that will be subject to this test?

MR. MOW: It’s going to change year to year.

MEMBER KRACOV: ‘74 and ‘96.

MR. MOW: Ten years and older is what we’d do, and it gets capped out at what’s covered by OBD. It actually emphasizes the importance of dealing with the rolling exemptions, though, because there’s absolutely no question in any of the studies that the higher incidence of failure and the higher impact of failure because of the large amounts of hydrocarbons are in the very old fleet.

MEMBER HOTCHKISS: (Inaudible) the exhaust very much that the charcoal canister would be that they'd be sitting around and still pollute.

MR. MOW: That's right, yeah, sure.

CHAIR WEISSER: Thank you. Thank you for your patience, Mr. Peters. Mr. Peters.

MR. PETERS: I'm Charlie Peters, Clean Air Performance Professionals, and I prefer to do lunch, but since all the power and important people here have decided that it's more important to listen to me, I find that pretty interesting. As a matter of fact, I was just ready to bring up your name, Mr. Covell.

The only person here that I'm aware of is Mr. Amlin and sitting in the back who was quite involved when this pressure purge test was proposed by the EPA back about 1992, and at that time the models of EPA showed that the whole benefit of the enhanced program was pressure purge. There was also some possible improvements with NOX, and of course in their model they did not recognize or give any credit for the functional test that the State of California did at the time, so they were looking strictly at tailpipe emissions on a curb idle test and the 2500 rpm test, and the total sole justification to the enhanced

program was pressure purge. Is that right, Mr. Covell?

VICE-CHAIR COVELL: I don't recall that being the case, Charlie.

MR. PETERS: That's correct. So we put in the enhanced program with the dynamometers, with the pressure purge, with all of this and everybody knew right up front that pressure purge wasn't going to work, and it never has worked. It's never been effective. Everybody knew it wasn't going to be effective but it was the justification for the program. I still have those documents from the 1992 conference in Colorado et cetera showing what the EPA, and I'm sure EPA would be very happy to go back and review their models. I'm sure they have them somewhere (inaudible).

But my point is that here we are proposing spending, oh, $3,000, maybe 4,000 or maybe 5,000, but a little money here to check cars that are over ten years old when in fact a mechanic can look and probably find busted hoses, find problems very simply just by looking and probably fix them. He could probably buy something that you could have audit it to make sure that the problems that were existed were

found and find out whether or not they really got fixed. An audit system to determine if what's broken gets fixed, I've said that sometime. Anybody ever heard that one?

CHAIR WEISSER: Thirty seconds more, Charlie.

MR. PETERS: So what I'm saying, committee, is that some significant consideration and taking a good look at this before you mandate this on the public and repair industry as to what potential benefits are available, I would recommend some additional look before you do. Thank you.

CHAIR WEISSER: Thank you. Good morning. I should say good afternoon.

MR. TRIMLETT: Congratulations, Mr. Weisser, this is one of the few times I agree with you. I happen to agree with Mr. Weisser. I don't want some technician messing with my hoses and crimping my hoses. I think you've got a liability issue. I think this one should be stopped before it gets started. Thank you.

CHAIR WEISSER: Thank you, Len.

MR. ARMSTRONG: Yes, my name is Larry Armstrong. I hope I don't go back over some track

that you've already been down here, but I've got several questions probably that many of them relate to my business some of them.

First question I would ask is that there was a 22 ton figure thrown out here, and I'm always suspect of numbers so I would ask that you try to determine that 22 tons is just involved in the test that they're talking about doing or whether it's involved in gas caps. I think Mr. Mow is the one that said that they divided the benefit between gas cap one-third each, the EVAP system and then the purge, so is it 22 or is it 7-1/3, so I think you ought to ask that question. I don't know how much difference it would make. It looks like these folks have got some nice equipment they'd like to sell.

Now, maybe you can get some help from the Bureau of Automotive Repair but I've had people tell me that '93 and older cars are now being sent to test-only, which would probably make sense if half of the vehicles that are being hauled in for testing are going to test-only. Maybe we can get an answer to that. Mr. Amlin, how accurate am I there with the cars being sent to test-only?

MR. AMLIN: I think it best if you direct your questions to the committee and if they want to ask from us —

MR. ARMSTRONG: Maybe you'd want to ask that question here somewhere along the line, but if in fact that is true that '93 and older vehicles are being sent to test-only, then that would leave the '94 and '95 vehicles for the test-and-repair shops to try to amortize this equipment that they just bought for $2-3,000.

And I have a big question about who would I be buying this equipment from? If you look historically, the Smog Check industry has always complained about having only limited number of suppliers to buy from, but right now as I sat back here it sounded to me like we're maybe now being asked to buy some equipment from a different supplier than the supplier of our Smog Check equipment that we're later going to be asked to integrate into the equipment that we purchase for Smog Check, so I think you've got a potential problem there, so my preference would, even though there's not a lot of economy in there, it also doesn't take a lot of salesmen to run around to go and just add on equipment to what you

already purchased so that the concept of having a different supplier supplying equipment that may or may not integrate very well with what you've got, now you've got two people that you've got to go and try to argue with if you've got a problem with your equipment.

CHAIR WEISSER: Thanks, Larry. We'll take a third question from Mr. Ward. Comments, I should say.

MR. WARD: Very quickly. Randall Ward, California Emissions Testing Industries Association. I think that there was a certain amount of tonnage that was already included in the '94 SIP which anticipated the evaporative emissions test.

I guess if we were to have any concerns at all it would be simply recognizing that it is an additional cost. I think the questions about how this would be absorbed, and obviously I think Mr. Amlin indicated it would be passed on to the consumer in one way, shape or form, and I think it would be appropriate for you to look at to some extent those elements associated with the cost of a Smog Check for consumers in California.

You know, for example, the current testing equipment they offer repair policies right now, so

spending the 35,000 is simply one expenditure. You're spending a monthly fee to maintain service on that equipment.

But having said that, we certainly support the evaporative emissions test. We think it's long overdue and look forward to having the opportunity to work with the prototypes and make this equipment operational and the evaporative emissions test occur.

One other thought. One of the things that we were told by the bureau a number of years ago with the recognition that a technician at a test-only station is not diagnosing the problem associated with a failing vehicle, they are simply testing the vehicle. Currently they have the same technician license as someone who works in a test-and-repair facility and supposedly has the ability to repair that vehicle. Since they're not diagnosing the vehicle, the bureau felt that there was ample reason to have a test-only technician. That's never come to fruition, largely because of opposition from the test-and-repair industry. But 30 percent of the cost associated with a Smog Check at a test-only facility is labor, and if you can reduce that then you've reduced the cost to the consumer.

Thank you.

CHAIR WEISSER: Thank you, Mr. Ward. Well, I'd like to ask a question of the agencies associated with the 22 tons. Is the 22 tons reflective of the savings that would come about through the continuation of the gas cap and the institution of the new pressure test or do we need to discount the 22 tons because we won't be having a purge test, or am I asking the question in an awkward or wrong fashion?

MR. AMLIN: One thing, I'm not sure. I had asked Rocky I think for a copy of the list of reports that we'd already provided, and this is one of the ones I'd see if we already provided this one or not. If not, I'll go ahead and provide a copy of the ERG report that talked about some of the emission reductions.

In terms of the statement that was on there that says up to, I think in part again until we actually get the device finalized, get the data in the field, go ahead and figure out the failure rates to apply times the reductions that we have, we're not going to have solid numbers for you. We will have better numbers, you know, probably later this year would be my guess.

CHAIR WEISSER: Okay. And I think that's an acceptable answer, Dave, that at this point in time the numbers you anticipate in terms of both emission reductions and cost effectiveness is just too (inaudible) to really get a handle on. We have an indication from the report that we heard earlier as to relative cost effectiveness, but (inaudible).

I'm trying to think of a second question. There was a question that someone wanted you folks to answer that I —

MR. AMLIN: I think the question was were all the old cars going to test-only (inaudible).

CHAIR WEISSER: Yeah, that's right.

MR. AMLIN: Again, I think part of the process is that we will go out again for public comment on the proposed regulations and that will go ahead and have an attempt to figure out and make some estimates what the cost will be and all those types of things. We'll cover that there. We'll get some public input.

One of the things I think that we have proposed at this point is that it wouldn't be something necessarily that every station had to have. If you don't want to test old cars or if you think you

get no old cars, I don't believe that there's a reason you need to have it.

The specific question, are all cars directed of a certain age to test-only, and the answer is no.

CHAIR WEISSER: So the high emitter profile, I would assume, would tend to direct a higher proportion of old cars (inaudible).

MR. AMLIN: Older vehicles, that's correct.

CHAIR WEISSER: Well, I want to make sure I understand. The cost of what's billed into OBD II, you don't need to do this test on newer vehicles; is that correct?

MR. MOW: Yeah, it's roughly the same standard at this point, yeah.

CHAIR WEISSER: Are there any further questions on the part of the committee?

COMMITTEE MEMBER: (Inaudible) he keeps talking about how the check engine light will come on. (Inaudible).

MR. MOW: Glenn's presentation was on the full gamut of application for the diagnostic smoke technology, and that unit that you're looking at is used extensively in OBD II diagnostics. Those comments do not apply to this particular inspection

program per se where we're dealing with just the older fleet, but if a shop were to purchase smoke diagnostics they would indeed be able to use it for both OBD fleets as well as the EVAP testing vehicles. Was that the question you're asking?

CHAIR WEISSER: No, I don't believe it was.

COMMITTEE MEMBER: It seems to me that there should be some of (inaudible) check for this because there might not have been the check engine light tended to (inaudible).

MR. MOW: Oh, on the repair side, you mean.

CHAIR WEISSER: Of course, that information is downloaded when they go for Smog Check. It automatically reads what's in the check engine light, so in essence they're getting the pressure test information (inaudible). Even if the guy tries to fix his car with some black tape over the light.

MR. MOW: I mean, it's actually a very simple answer. On the OBD side if the check engine light indicates an evaporative failure, what the technician has to do is locate the leak. You don't have to worry about duplicating the inspection side of the test, what you have to then do is locate the leak and repair it.

CHAIR WEISSER: Okay. Seeing no further questions from the committee or members of the audience, we'll break. I have 18 minutes of 1:00 o'clock. Do we want to try to come back at 1:30 or should we give ourselves a full hour? 1:45. We will be back at 1:45 to start. Thanks.

(Noon Recess)

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AFTERNOON SESSION

CHAIR WEISSER: The afternoon portion of our April 27th meeting is now back in order. According to the agenda, we're going to shift into the Smog Check Program evaluation. As Rocky announced, the report was recently released. We heard today that the background information to the report will also be out within a week or two.

Committee, as you'll remember in our last meeting we went through an exercise to try to identify the subject matter areas and areas of interest of our members. My intention today would be to review these with the committee members to see if there are any suggestions for changes that we must make or should make to this, and then to begin a discussion as to what we mean by some of these issues that have been raised.

Before I do that, I want to announce to the public that the Speaker of the Assembly has informed the Department of Consumer Affairs via a letter of which we have a copy that IMRC member Richard Skaggs is going to be replaced by May 15th. We need to keep that in mind as we go through our analysis that we will be getting a new member on board mid next month,

and that might result in some subsequent shifting of who is doing what in order to get our new member fully engaged in our process.

There is also going to be an appointment of someone to replace our fantastic vice-chair Norm Covell when Norm pulls the plug and enters into retirement because he will no longer satisfy the statutory mandate that one of our members be an air quality control officer. Those of you who have worked with this committee for a long time recognize the contribution Norm has made to the efforts of this committee and to the efforts of California as a state to achieve its air quality goals, not to mention that the Sacramento area has been a leader in the state. And by hook or by crook it is my intention to one way or another figure out a way to continue a relationship with Norm both through my normal job as president of CEBE but also as the chair of this committee. We'll see how that all spins out as the weeks and months unfold.

As a matter of process, I'm also going to suggest and toss out on the table to the committee the notion that we need to schedule at least one and I'm going to suggest two public hearings for the purpose

of obtaining input from the public at large. My suggestion to the committee is that we attempt to schedule two public hearings, one in the very beginning of our process, either next month or June, and one toward the end of our process when we perhaps have had an opportunity to actually grab some initial thoughts from the subcommittees going through the full committee and put that out to the public. That one might take place September or October.

And I also think one of those hearings would be best held in southern California and one up here in northern California. And I also think it would be desirable to see if we can't find facilities where at least one of those could be webcast so that people who are unable to travel might still be able to participate or at least observe the nature of the hearings over the World Wide Web.

So, working backwards from what I've just said, are there any thoughts or comments associated with the notion of having two public hearings first to get input on the report as it stands and the second perhaps to get a reaction to our initial draft on the report? Any suggestions or comments? Mr. Pearman.

MEMBER PEARMAN: Just a question. Do you know if either BAR or CARB would have had any public hearings apart from their normal monthly ARB board meeting to discuss their report?

CHAIR WEISSER: Their intention as indicated in the report and in their request to us a couple of months ago would be to combine our public hearings with that which they would be required to hold, so they are trying to use this forum as the ability to get their report in a draft form to the public to hear what the public has to say about it, which sounds to me like a good thing.

Anybody else on comments? Charlie, do you have a comment?

MR. PETERS: Yes, I'm Charlie Peters, Clean Air Performance Professionals. I'm confused so I will ask for a point of order. This agenda for today and the agenda that I have sitting at home on my desk to me don't look the same, and I don't recall the meeting notice provided by the committee by email and/or what's on the website as having the item to Smog Check Program evaluation being looked at by this meeting, and my question is did this agenda item get appropriate public notice?

CHAIR WEISSER: Thank you for your question, Charlie. I'll ask our executive officer to describe the process used for the dissemination of this meeting notice.

MR. CARLISLE: Nothing has been changed since that was originally sent out, the email, fax and U.S. mail to all interested parties, there's been no change whatsoever.

CHAIR WEISSER: It looks the same to me, Charlie, as the draft that I saw.

MR. PETERS: I said that, Mr. Chairman, and I could be confused, but I'm just going on what I thought I saw.

CHAIR WEISSER: Thank you. Okay. Yes, Gideon.

MEMBER KRACOV: Just if you could just remind members of the committee, what is the process by which CARB and BAR make this report final? They have certain responsibilities by statute, hearings and other things that they have to go through along with what our responsibilities are in response?

CHAIR WEISSER: I might ask Andy if he couldn't describe it to us. My understanding is that they would be awaiting our hearing and I believe our

report, following which they would react to what they hear from the public, react perhaps to what they might hear from us, redraft anything they feel is necessary, bring it to their board for approval, and then submit it to the Legislature, Administration and (inaudible).

MR. PANSON: Yes. This is a report to the Legislature, this isn't a regulation or anything of that nature, so we're not actually obliged formally by state law to actually do any of that, it's just what makes sense. And we are going to have a public process and try to do that hand in hand with the IMRC process as described. It's not clear at this time whether we will take the report to our board in advance of submitting it to the Legislature or not. We did not do that prior to the 2000 or when we did the 2000 report. We had public workshops, we got comments, we incorporated the comments and then we submitted a report to the Legislature.

CHAIR WEISSER: So you didn't send it to the board prior to it going to the Legislature.

MR. PANSON: Correct.

MEMBER KRACOV: Is there a time line or an expectation of just when that report will be submitted to the Legislature?

MR. PANSON: Well, formally it was actually due January 1st of 2003, so we've obviously missed that date. We would like to get it wrapped up as soon as possible, but we also recognize the need and the value for the public process and comments from the public, so I think we want to work out with the IMRC when we're going to have these workshops and then to some extent the nature of the comments that we receive is going to dictate when and how long it's going to take us to finalize the report, but I think we all have an interest in doing it in as timely a manner as possible.

CHAIR WEISSER: My recollection is that Mr. Cackette at a prior meeting indicated that they would like to have this committee hold public hearings so that they could benefit from those inputs just as we would. And in fact, I think he said he was going to wait until this committee's report was made so that they might incorporate the thinking or findings that we might make in their report. I have no problem with that. The deadline for their submission of the report of course is back in Frontierland and we're looking forward to Fantasyland as to when our report will be

ready. Our target is, frankly, to get our report out by the close of the year, and we're going to do it.

MR. PANSON: And I think when Tom addressed the committee in January to preview the report and talk about this, I think he said we're looking at about a six-month process after the report draft was released, so that kind of all meshes with an end-of-the-year target as you've described it.

CHAIR WEISSER: Okay. So what I'd like to know from the members of the committee would object if I ask our executive officer and our staff to see whether or not they could make arrangements for two such hearings, one as soon as possible, a second one September-ish. One in northern California, one in southern California. One or both if possible in a room equipped so that the workshop or hearing could be webcast. Step one is, is that okay, is there any objection for me asking Rocky to do that? I don't hear any, so I'm going to, you know, Rocky, do it.

The second thing is let me share with you my thinking and then I'm going to duck under the table. I think it would be better to have that initial public input sooner rather than later. It will provide us an opportunity to hear what the public thinks aspects of

the BAR/CARB draft of particular interests are for them. It will provide us with the opportunity to get that sort of input at the beginnings of our process. Therefore, I would ask whether or not there would be objection if we had that hearing in the May meeting, the next meeting.

Sadly, as you know, I will not be able to be at that meeting, but I hearby swear and affirm that I will review the transcript in detail. I actually read each and every one of these in order to try to clean up my act in the next meeting, which I never do, but I will read them, I will go over them. If it is webcast I will be able to re-watch it.

It may not be possible to get it webcast. We don't know if the facility that ARB has is going to be available. I would suggest even if it's not available that we use May as the opportunity to get that initial input from people, and we'll hold the hearing in that case here if we can't get the ARB room.

So the direction you're getting is at least part of our next meeting will be devoted to a workshop to receive public input on the ARB/CARB report, preferably at a webcast facility and if not we'll hold

it here, and we'll figure out whether September or October public hearing on the second public hearing down in Los Angeles, preferably. I understand BAR's El Monte facility has webcast capabilities.

Any comments or questions? Okay.

The next order of business I think that would be profitable for us to undertake at this time would be to review the list of subcommittee assignments to make sure people are comfortable with the assignments as they exist today, and then to go into a few of these assignments and have just an open discussion to further refine our thinking in terms of the areas of emphasis that we wish to engage in. Is that okay, can we do that?

So you've all had an opportunity to review this breakdown and determine if this looks similar to that which you saw on the butcher paper on the wall in our last meeting to ask if there are any questions.

Paul, you'll note that once again you were assigned to the budget group. I mean John. I mean Paul. I don't know what I mean. And the other assignments I believe have been consistent throughout.

Rocky, copies of this are on the desk back there?

MR. CARLISLE: Yes.

CHAIR WEISSER: Everybody in the audience that needs a copy has gotten one.

Are there any suggestions or concerns associated with any of the assignments that have been put down here in terms of committees that you're on that you wish you weren't on or committees that you're not on that you wish you were on? Okay.

I think what would be a good idea is if we just pick out, and I don't mean just at random, but identify a few of these items where we could talk a little bit more about them in terms of getting questions out to try to clarify what thoughts the committee as a whole might have for that subcommittee's assignment to look at. And Norm had some questions this morning that now we probably should address. Norm.

VICE-CHAIR COVELL: Do you want me to repeat those questions?

CHAIR WEISSER: Yeah.

VICE-CHAIR COVELL: Well, it appears that the direction we're going to proceed on is to first of all become the venue for the hearings on the draft report that has been completed (inaudible), and out of

that process would come I guess the conversion of what is now draft into a final report for the purpose of it being a report to the Legislature (inaudible). That will represent (inaudible) the agency's report. I think we all agree that in no way satisfies our requirement in the legislation that created us that we are to evaluate the program and make recommendations for improvement for consideration by the Legislature.

Now, having said that, it's very evident that if for no other reason than lack of available funding (inaudible) we're going to have to dovetail our work effort or align our work effort, I guess, with those activities of the program (inaudible) go through the process to make some kind of an evaluation first of all to determine is that all encompassing. If we complete our evaluation and do that report, does it satisfy all the requirements of the Smog Check Program (inaudible).

(Inaudible) move forward to develop our version of what we feel (inaudible) in terms of improvement, and submit that to the Legislature following the development process here, which (inaudible) process (inaudible) public workshops with reference to focus on the state report.

So what I'm seeing emerge here would be a state report that's (inaudible) two agencies and a separate document that represents this committee's evaluations and recommendations to the Legislature (inaudible).

CHAIR WEISSER: I agree with your conclusion in that regard that our part would move forward independent of what CARB and BAR send to the Legislature, or even if they don't send anything to the Legislature.

I would hope that second hearing or workshop that we hold, the one in the fall, would be held after the release of our draft report, so that would act as the public hearing on our report. Is that cutting it too tight in terms of time, you think, Norm?

VICE-CHAIR COVELL: Well, it could. Then again, it may work, depending on the latitude that we have to get into the evaluation process, and I think that's going to be dictated by the timing and availability of any funding we have to get consultations (inaudible) work that we have to do. And if there's no money, or we get money and there's only two months left to spend it if we want to get a

report out the door by the goal we set for ourselves at the end of this calendar year. (Inaudible)

So given all that, maybe a first review of the 16 areas of assignments, see how they align themselves with the issues that were identified in the state report to make sure we've got everything covered here that we need to evaluate. And I think it's clearly acceptable that we would have issues of concern to this committee that go beyond perhaps (inaudible) sixteen issues of concern here (inaudible) but that'll go beyond the (inaudible) in this report.

CHAIR WEISSER: So your suggestion is first to go through the report both in terms of some of the key findings in the report and the recommendations in the report to see if there are any covered in one of these sixteen. Identify any that aren't and figure out if we want to and if so, how do we want to deal with those.

VICE-CHAIR COVELL: (Inaudible) these assignments.

CHAIR WEISSER: Do you feel that we're compelled to review and comment on each and every item in the CARB report, then?

VICE-CHAIR COVELL: Well, I would submit that two implementing agencies trying to report on the status of the Smog Check Program to the Legislature would in their minds have identified the key issues of the program they feel are significant (inaudible) report. I just want to make sure that not necessarily agree with that but at least we'll take a look at all those that are in it in addition to the other areas that we feel may need attention.

CHAIR WEISSER: That sounds pretty reasonable.

VICE-CHAIR COVELL: Does that make sense or not?

CHAIR WEISSER: Anybody have any comments? Gideon.

MEMBER KRACOV: I agree we should go through each of the things and outline a discussion so we all are of a like mind as to what they mean. I know that when Rocky passed out the list of all the different things that we have identified we tried to set some priorities. Here we have fifteen of them with two members of the committee assigned to each one. I think it's very important that we decide during the course of today and the upcoming meetings which of

these are really key to our mission and ensure through a combination of staff work and the committee members that those get done. The committee members are very busy and I would hate to see that there's some committee members that for whatever reason can't get one of these done and that's turned out to be a priority for this committee, so I think it's important that we really focus on (inaudible) and set up a good plan so that (inaudible) that we can get them done (inaudible).

And the second thing is that I think we should always keep in mind what the statutory role for this committee is and make sure whatever we do we don't get too untethered from that. Always keep in mind that the Legislature created this committee (inaudible).

CHAIR WEISSER: Gideon, why don't you read or summarize for us that specific legislative charge.

MEMBER KRACOV: Rocky just pulled it out here for me, and aside from the sort of procedural issues I'll read a couple things. This is Health and Safety Code section 44021. Section (a)(1) says:

"Th

e Review

Committee is hereby created to analyze the effect of the improved inspection and maintenance program as established by the 1994 amendment to this chapter on motor vehicle emissions and air quality. The functions of the review committee shall be

advisory in
nature and
primarily
pertain to
the
gathering,
analysis and
evaluation
of
information.
"

And then it goes on to talk about who's to be appointed. It talks about folks that we must consult with. It says:

"Th
e review
committee
shall submit
periodic
reports to
the
Legislature
and the
Governor on

the performance of the program and make recommendations on program improvements at least every 12 months. The review committee's reports shall quantify the reduction in emissions and improvement in air quality attributed

to the
program,"
and then it
talks about
our public
hearings and
that we
should work
closely with
all
interested
parties.

So it focuses again on motor vehicle emissions and air quality and make program improvements, and there is that part there which of course BAR and CARB have already done and we don’t want to repeat that again about quantifying the reduction in emissions and the improvement in air quality attributable to the program.

CHAIR WEISSER: And the agencies that we’re to consult with I believe include the highway patrol and DMV?

MEMBER KRACOV: Highway patrol, DMV and other appropriate agencies as well as the department and the state board.

CHAIR WEISSER: You're refreshing me leads me to believe that in fact we do have an obligation to comment on each of the program improvements recommended in the draft. I am less challenged by that than I am the charge to quantify emission reductions, and here's why.

It seems to me, short of engaging in a complete de novo generation of data and analysis, we are left with a review of some of the more major assumptions that have gone into the data collection and analysis and projections made by the agencies, and I'm uncertain as to whether, frankly, we can effectively meet this charge of quantifying emission reductions with kind of a one shoe in, one shoe out approach. I really wish I were more adept at the modeling and the data analysis process than I am, but I'm familiar enough with it to know that it's a daunting task.

We have a group, a subcommittee, if I remember, that is identified as subcommittee number four composed of Jeff and Norm. Jeff had to leave to

get to school. But Norm, what are your thoughts associated with how we might actually go about meeting that portion of the legislative challenge?

VICE-CHAIR COVELL: Well, it's probably, as you pointed out, it's a daunting and difficult part of what we're charged with doing, and in the evaluation reports that have come forward over the years, whether it be an IMRC committee effort or whether it be a report by the agencies BAR and CARB, I have yet to see any conclusions that have stipulated to what the improvement to air quality actually is.

I think we do a fairly good job now of identifying emission reductions (inaudible) the program. You've seen the latest data reflected in here in terms of tons of each pollutant reduced, but where it gets pretty ticklish is when you try to turn around and say what has the benefit of that reduction had on the improvement to air quality as a specific strategy, and it's one of our bigger ones.

I know years ago when gasoline was reformulated and CARB was asked about the potential impact on air quality, it was one thing to evaluate the tons of emissions that would be reduced and prevented from going into the air because gasoline was

reformulated, and it was another thing to try to say, well, what impact does this have on the capability of the (inaudible).

Over the 40 years I've been involved in this, we've seen I think through a combination of things; i.e., the reformulation of gas, the newer technologies on vehicles, the successes of at least this program as vehicles have been repaired, the reformulation of (inaudible), turbines that are running power plants and becoming more efficient. We've seen that we no longer achieve the same peaks of ozone that we did in the early years. We see for the most part that this ozone is forming further downwind than it used to be; therefore, it's my conclusion that the ozone reaction in the air in not as robust as it used to be twenty years ago.

But to really pick one of those strategies and say that by reformulating gasoline or reformulating architectural coatings, it alone has had this impact on the reduction of ozone in the air is difficult to pin down. The closest thing I've ever seen, and I think these were estimates by CARB on the ozone reducing potential of reformulated gasoline somewhere between ten and eighteen percent. I never

really understood the science that they went through to achieve that number. So, that one there (inaudible).

Dave, you guys have anything to add to that? There's really no boxes there that we can pull these answers out of and the science will always progress (inaudible) in terms of how you ascribe a benefit to a specific strategy.

MR. PANSON: Yeah, I think you summarized the complexity of the issue quite well. We have direct control of our emissions and we can quantify directly our successes as they relate to emissions, but it's not necessarily easier than perhaps necessarily possible just to make a direct link with air quality when you have lots of other factors that are contributing, meteorology, things like that, so we have, and as you can see from the draft report, we've more or less quantified what we have direct control of, you know, the emissions that are going into the air, and essentially there's the inference that as you reduce emissions you improve air quality and you've enumerated some of the ways we've seen that response, but I don't feel that it's a directly answerable question to say the Smog Check Program has

resulted in an X ppm reduction or X number of days over the standard reduction. I don't think you can directly answer that.

In addition, you also mentioned that how do you pull out the benefits of one program. It's really, you know, the common combined strategies of reformulated fuel, Smog Check, cleaner cars, cleaner coatings in industrial processes, you know, all combined have a global effect on and we see a response in ozone, but as you start pulling it apart it's really hard to attribute the direct benefits of one program.

Now, Smog Check is a big program. When you talk about there are smaller programs that you probably wouldn't see a direct response as a result of any one of those alone, it's really the totality of what we're doing that has an effect.

CHAIR WEISSER: Gideon?

MEMBER KRACOV: Mr. Chairman, we do have a lot of positive things going for us in terms of interpreting our legislative mandate. We have a committee — first we have a report which identifies certain program improvements. I think we can take those improvements with the different committee

members and really go through them (inaudible) improvements of our own.

We have a report that does quantify the reduction in emissions according to what is required by the SIP, which I think most people view as a sort of de facto. If you meet your SIP numbers and reduce emissions you are improving air quality.

We have a committee of Jeff and Norm, and I thought that Jude was interested in this as well, that is looking at the emission reductions that are very interested in that issue and have some expertise and experience in it, so I think we do have a lot of the components that we need to meet the statutory requirements.

I do remember you saying that the past draft report that this committee put together we spent a lot of time and money crunching the numbers again, and that there was some concern as to whether that was the best use of resources, and if you learned something from that when looking at doing our next report.

So I think we've got to balance these different issues but in a way that when we do have a report people can say, yes, they've met the statutory mandate. But I do think combined we have the elements

here as long as we focus on the important things and remember what we're supposed to do.

CHAIR WEISSER: Bob?

MEMBER PEARMAN: Well, I think that issue of what we do in terms of numbers (inaudible) is real important, but if we have limited resources to do that, then I think with some combination of maybe outside consultant we can use and the internal resources like Gideon did, we just have to do our best effort at it, maybe sort of like an audit function where we don't look at every number but we ask questions about some or focus on a few and see if they can withstand the scrutiny.

But the public will also have a vested interest. Ceratin people and certain numbers having put forth may give us some guidance as to where numbers are weak.

And we have a problem that, for example, if I'm to be on a committee dealing with a BAR suggested improvement, and we have their report that says it's going to reduce 50 tons a day, well, yeah, I'm going to go with that improvement unless it's unconstitutional, so (inaudible) accept numbers on faith that they will drive the conclusion to some

extent, but we also can't look at every number (inaudible), we've got to find a balance there.

CHAIR WEISSER: And let me make a suggestion. In the absence of the ability of the committee to spend a couple hundred thousand dollars and hire a consultant to essentially redo data collection and analysis, one approach that we might want to take is to invite comments and questions associated with the numbers of how many emission reductions have been attained by the improved program, and identify the more interesting of those questions that we hear from the outside as well as our own questions. Pose those questions to the agencies and see what emerges in terms of their response, and that might lead us to a particular issue associated with the numbers or make us feel comfortable that, yeah, there are different ways of looking at these numbers but the approach that's been taken by the agencies is reasonable under these conditions.

In fact, as you suggest, I'm already getting calls and emails from interested parties with different perspectives on the numbers which were brought forward by the Air Resources Board.

That might be one major function this subcommittee might perform, is to review at the broadest levels the assumptions that have gone into the collection of data and the projection of the emission reductions, to act as a clearinghouse for questions and comments from others to then put the agencies to work and to respond to the criticisms that you or others might have, and then to try to make sense of what differences of opinion might exist between the agencies and the public or ourselves.

Norm, I wish Jeff were here, but do you think that is a more modest yet attainable definition of what this board group might do?

VICE-CHAIR COVELL: I would see something along that line is about all that we would be able to accomplish (inaudible).

CHAIR WEISSER: Did you folks hear that?

VICE-CHAIR COVELL: I'm sorry. I said yeah, I think that's about all we'd be able to accomplish as that subcommittee and feel good about the product (inaudible) because we heard Andy say and I've seen it repeatedly over twenty-something years I've been on the program (inaudible).

MR. PANSON: Maybe that can be a recommendation.

CHAIR WEISSER: Norm's writing that down. Okay. What I'm going to do, then, at this point is to publicly solicit those here and perhaps to put out some sort of an announcement on our web page soliciting questions and comments from the public on the draft BAR/CARB report and arrange in some way or fashion, if you would Rocky, to regularly kind of forward to the committee of the comments that come in either by email or snail mail that we receive from the public, not to wait until we get them all because we're never going to get them all to continuously stream suggestions.

So if you could send us some sort of alert and if we could send out perhaps an email to the people on our contact list soliciting public input right now. Also alerting them to the fact that we're going to have kind of a workshop public meeting to get their input verbally at our next meeting. Not an easy one.

But I want to return, Norm, and I see you've got another comment, but I want to return to the question of truing up the recommendations of this

report to the issue areas that we've identified here to make sure we're not missing anything, because I do think the requirement and statute that Gideon refreshed us with of evaluating program improvements and recommending program improvements should include if we had any thoughts on ones that have come forward.

Now, before I get into that is there something further you wanted to say on the earlier topic?

VICE-CHAIR COVELL: Yeah. Looking at the fifteen assignments here, eight of those directly reference in the description of the assignment they reference the BAR report. I'm assuming that means the BAR/CARB report that we just received.

CHAIR WEISSER: That's correct.

VICE-CHAIR COVELL: So over half of the assignments that we have seen fit to focus as priorities on go right back to that report and are somehow connected to it. So clearly, we cannot completely divorce what we are going to put together from this BAR/CARB report, and I think the first thing we need to do, and we may want to do it at the next meeting, (inaudible) public hearing on that, receive input from the public about the CARB/BAR report.

Receive input from the staff about addressing those comments.

And then from that I think is going to emerge in our own minds issues of concern, areas of focus for improving the program. Some of those will align themselves with the recommendations of the CARB/BAR report, some of them won't, they will emerge as issues and concerns of the industry that's implementing the program. Some may emerge as concerns of environmental groups, and some may emerge as concerns of this committee that will then be captured as we move forward to those recommendations.

I guess the bottom line of course is that we're going to touch ground on a lot of things here, but what the Legislature wants to hear from us is ways to improve the program that they can deal with. If some require legislative change that they set about to debate that. To me, that's the bottom line purpose for us. The further we can get into that arena and start juggling those issues and come to a conclusion and move forward with recommendations of this committee, the closer we are to meeting the mandates (inaudible), the better chance we're going to have of

getting a report out there by year's end, as is your goal.

CHAIR WEISSER: I'm also reviewing or looking at the report in terms of the identification of items in the matching up of those items with the program recommendations, and I think we've got most of them covered, but I'd like to just go through them, if we could, and let's make sure.

Okay. The first recommendation is associated with clean screening of the fifth and sixth year, and we have that as a subject matter to be reviewed by committee number nine.

The 30-year rolling exemption, if I remember correctly, we don't have; is that correct? We've already made a letter report to the Legislature. My thought is that we might want to addend that or extract from that our beliefs that were put forward in that letter. If the committee is interested in doing that, I know Jude and I have worked with probably more than others on that issue subsequent to our vote on that, and we form a subcommittee to translate what we've already done to present to you as possible inclusion in the report. What do you think; is that a reasonable approach to do the second BAR/CARB

recommendation? The answer is yes. So Rocky, would you add a new subcommittee of Jude and I?

The annual vehicle inspection for older vehicles is number eleven with Bob Pearman and John assigned to it. That's going to be a hot one, but it's particularly interesting. I might put a question forward to you gentlemen on that that you might want to pursue with the agencies, that the report, if I remember correctly, indicates some 40 percent or more of the cars that fail and have been repaired, they're projecting the average repair fails in five months or so. The question that I have is, what do you get out of changing to an annual system if the repairs are going to fail so early if you don't also implement another one of the BAR/CARB recommendations associated with the higher pass point for cars that have failed?

I guess I'm not sure that merely going to an annual inspection for older cars adequately handles the problem. Am I being clear?

VICE-CHAIR COVELL: And I think another aspect of that would be how much are these guys allowed to do when you repair a car is it sufficient to get the sustained repair that we need or are they just barely getting it fixed so you can expect it to

fall apart six months after or three months after it's been repaired.

CHAIR WEISSER: And that was the issue that was raised pretty eloquently at our last meeting and before that by Chris, who says that it could be an awkward situation for the repair person because they could be accused of pushing unneeded repairs, so that needs to be looked at.

The high mileage vehicles annual inspection, is that on our list, I don't remember that.

COMMITTEE MEMBER: Number eleven.

CHAIR WEISSER: Very good, thank you.

Now, while we're going through these I really urge committee members to do what I'm doing, which is as issues pop up in your mind to mention them out loud to the committee members present. You might be able to carry it forward.

I will say that the BAR report seems to focus pretty heavily on taxicabs and I'm not sure what other source. Rental fleets. One of the questions I have is are there other opportunities to go after high mileage fleets like the State of California or other fleets where cars are used virtually on a daily basis.

MEMBER HISSERICH: If I may.

CHAIR WEISSER: Please, John.

MEMBER HISSERICH: There are of course police cars that in addition to that, I don't know how many there are and I'm not sure if it references it, but the emissions of existing, they have a lot of idle time sitting with the engine running, you know, and I'm not sure what impact that has.

Now, they do get turned over fairly quickly, every three or four years, I think. But I think it would be worth kind of confirming some of those observations to see if they'll hold up at all. That's just a thought that occurred to me on that issue.

CHAIR WEISSER: Rocky.

MR. CARLISLE: Just to dispel any assumption that somebody may have with regard to taxis and rental car fleets, there's no designation as to what vehicles those are in the fleet. You have high mileage vehicles and that's it, so if you're attempting to single out, you know, taxicabs for example, you're looking at a pretty impossible task.

CHAIR WEISSER: Why?

MR. CARLISLE: Because there's no identifier in the DMV record as to what that vehicle is. It's registered, for example, as a '92 Ford or whatever the

case may be, but it doesn't say taxicab. Passenger car is what it's registered as.

VICE-CHAIR COVELL: The only clue you'd have would be if it's an older higher mileage car versus newer higher mileage cars which tend to be those (inaudible).

MR. CARLISLE: Correct. But it does pose a problem when you're trying to identify a specific fleet, is my point.

CHAIR WEISSER: Well, that's something we'll pursue in the committees, but I think every single municipality regulates taxicabs and they regulate them not only with a franchise fee and a work permit, but I think they also require the permitees to list the vehicles, because they limit the number of —

MR. CARLISLE: But now that's the point you've got to break it down to municipality and contact of each municipality to identify those vehicles.

CHAIR WEISSER: So what you're saying is it's not quite the piece of cake it might appear.

MR. CARLISLE: Certainly, you know, I'm optimistic enough to think it's doable, but I'm

certainly not so optimistic to think it's going to be an easy task.

CHAIR WEISSER: Very good. Recognize that, as identified in the report, this would require a statutory change, and in accomplishing that statutory change there could be an additional change associated that would make it easier for DMV to identify those vehicles put into service as a taxicab, so might be able to do a two-for sort of thing. In any event, that issue is dealt with in item number eleven.

Then we have the more stringent cut points. Where is that?

MR. CARLISLE: That's titled repair standards, item fourteen.

CHAIR WEISSER: Item fourteen, thank you. You know, I have to say when I look at that, I really am looking forward to hearing what we get both today and in the public hearings and any written comments. That makes some sense to me. I don't think it's going to be real popular, but it makes some sense, though I'm open for being educated associated with both the problems and the benefits that might emerge from that.

The next item is all enforcement oriented and item number fifteen deals with that.

The next item is the smoke test.

And then exempting newer cars from the change of ownership is number thirteen.

And then there are these brief discussion in the report over promising technology such as OBD, remote sensing. I know Jude felt very strongly that for remote sensing it would not be worth the committee's time to invest a lot of energy because remote sensing is undergoing the demonstration project we heard about last meeting. OBD I'm less clear as to where that stands in terms of its utility as a program tool. Are there any thoughts whether or not we should comment on either of those programs? They are dealt very briefly in this report, not much substantive discussion other than to say they hold promise but we really don't know.

MR. PANSON: Andy Panson. Just for further clarification or explanation for why those were only addressed briefly in the report. Both of those have major studies ongoing. The RSD study that you just referred to, and we're also doing an evaluation of OBD II, and the feeling was, you know, with the major data gathering efforts underway, it wasn't time to make a recommendation, we need to wait for those

studies to be done, but we wanted to alert you and alert the public that these efforts are ongoing, so it's kind of a preview of coming attractions. At this time it would be premature to make recommendations, you know, with all this work ongoing.

CHAIR WEISSER: In your opinion.

MR. PANSON: Absolutely.

CHAIR WEISSER: Not necessarily in this committee's opinion.

MR. PANSON: Absolutely.

CHAIR WEISSER: And I guess that's the question that we might want to keep in mind; is there anything for either of those topics that people are interested in trying to engage or should we push those off?

There's also, as Norm suggested, the notion that the universe of potential program improvements is not delimited by the BAR/CARB report, and in fact we've got several other issues that we indicated we were interested in because we thought there was some opportunities for program improvements.

John?

MEMBER HISSERICH: Well, I just want to be clear on the issue of number three in which Bruce and

I are assigned, roadside testing budget and data. Now, I haven't found a lot referencing that, unless that is a component of remote sensing essentially, or is it something different? Is this the pull-over and inspection?

MALE VOICE: That's the pull-over inspection.

CHAIR WEISSER: Do you want to chat at all about that, Bruce?

MEMBER HOTCHKISS: Other than it's the pull-over. I gather that we are supposed to be looking at (inaudible) how the data is collected and disseminated (inaudible) that we get the information that's available, how relevant it is today.

CHAIR WEISSER: Whether or not the data is collected in a way that it doesn't bias the samples. One of the comments I've received already raises a question associated with the differences in data collected in south coast on roadside data before the I&M program than after, the different numbers and how do they convert the fact that the sample sizes are different geographically. I don't know how, frankly, important this one is. Bob, did you have a comment?

MEMBER PEARMAN: (Inaudible) BAR roadside testing, my recollection is this did not come from their report but in part it came from concern that, for example, the resources devoted to remote sensing were diverting from the roadside testing and we were losing data, so it was more our initiative to try and see if we're losing that important data source and how we can make sure that there's funding to keep that going.

CHAIR WEISSER: John, is that —

MEMBER HISSERICH: Well, that clarifies it, yeah. Bruce and I will have to talk about what it all means, but that clarifies it a bit. It seems to me it's more of a policy implication rather than too much specific data that we're getting (inaudible) what impact it might have and how valuable it might be in relation to the other types of testing.

CHAIR WEISSER: I think that's the nature of the issue. I also would suggest that in fact you might want to look at how that information is used and whether sufficient resources are devoted to get the solid information that so many of the program positions by BAR and CARB are based upon.

Bob?

MEMBER PEARMAN: Going back to where you were about the OBD whether we should look at that. I know at least in one of the categories I'm looking at in terms of annual testing for high mileage vehicles part of the thinking was the OBD system worked such that we can restrict the more rigorous inspection of older vehicles, so to some extent Ted Jensen will be looking at that to see if that actually makes sense (inaudible) critique to the public saying you shouldn't accept that rationale, so I think we'll be looking at it to some extent in any event.

CHAIR WEISSER: Thank you. Well, of the issues that we have down here that we haven't talked about yet, I'd like to just if we could, march through those.

We talked about Dennis and Mark, neither of whom are here today, being assigned to this add an idle test to ASM to evaluate is there proper preconditioning, et cetera, et cetera. I really can't tell you anything more about this one than what's written here. In the absence of Dennis and Mark, I'd leave it and ask staff to be following up with them to begin to provide further definition of their expected

scope of review and potential recommendations. Any comments?

The second item, the review and comment on the BAR budget, my sense is I don't want to just follow the money. I want to see where the money's coming from and where it's going, how much is being used and is being allocated properly from the accounts it goes into and into the support of the Department of Consumer Affairs and the Consumer Services Agency. I'm less concerned about the loans that have been made out of those accounts because I think those are statutorily protected and they've been protected by court.

COMMITTEE MEMBER: To the general fund?

CHAIR WEISSER: To the general fund. And I understand from a lunchtime conversation that the monies that went into the Athletic Commission are similarly protected and are given as a loan, not a grant.

I think the question that we need to kind of follow up there is perhaps to highlight where that money might be used were it available in the Smog Check Program. What is not being done that would be a public benefit, because these monies are being used

for other purposes in the state. That's just my two cents in terms of kind of an initial take on this item. Do you have anything you might want to say, and then Norm I know has something he wants to offer.

MEMBER ARNEY: Yeah, I think that about covers it, but I think highlights on loans is very important because, you know, throughout our state government these agencies (inaudible) because (inaudible) the general fund, so (inaudible).

CHAIR WEISSER: Norm?

VICE-CHAIR COVELL: Yeah. I think it's a logical progression here that where these two come together maybe in the BAR budget and our evaluation where they come together and we take a look at the report and the recommendations, if we're hearing from the repair industry that certain things need to happen or we're hearing from the public that certain things need to happen, those translate as recommended improvements to the program, and if the response from the agency is, golly gee, we don't have the money to do it, well, that has to be folded into our recommendations somehow if (inaudible).

CHAIR WEISSER: I agree. We talked briefly about number three, the roadside testing issue that's

also kind of a budget issue and also a freeze issue. I would only add that I think there one of the real interesting aspects of that question, at least to John, is how that roadside data is used to chew up the models, if it is being used to chew up the models, how it's being used, and the relationship of that roadside data to data that can be collected through perhaps OBD or remote sensing, that might be interesting. Anybody else have any comments on that?

Number four, which is surely the big kahuna. I think we're going to see a whole series of people trying to constructively debate how these projections take place. There are allegations ranging from Smog Check program benefits are underestimated in the report to allegations saying that they are really overestimated and are merely a reflection of differences in modeling and that we could not demonstratively prove that Smog Check has reduced any emissions in California. I'm sure we'll be hearing a lot from advocates of different persuasions on those.

Yes, please.

MEMBER KRACOV: And that is one thing we should do as we go through. You indicated before that certain of these assignments you thought would likely

require some assistance from a contractor or numbers crunchers and others wouldn't, so I think if we keep that mind as we go through. This one do you think we can do that without a contractor or a number cruncher?

CHAIR WEISSER: I think you're going to have a very difficult time doing that without a contractor. I'm not so sure you need a number cruncher type of contract. It may not be an issue so much of retracking the numbers as rethinking all the assumptions that go into the numbers. I don't know, you'll have to determine what you think.

I think that of all the things we've talked about so far, this one is definitely the one that (inaudible). I think the biggest problem you're going to face is finding outside help that's not got their feet solidly placed in concrete in one camp or another, and I think that's going to make your job and our job really difficult, which is why I was suggesting what we may want to do is, at least as partial fulfillment of this obligation, try to use it as a forum to raise these issues and discuss these issues, and then make a reasoned non-technical evaluation of the arguments that we've heard. I don't know. You guys are going to have to put your heads

together and really work this one out, it's a tough one. But this clearly I think is one of the areas where you probably are going to want to spend some money.

Compare the effectiveness of test-and-repair, test-only, Gold Shield. I'm not sure with the absence of Jude and Jeff if we really need to go any further than that. It seems to me to be an opportunity for this committee to get on the record with a clear English explanation of what these percentages mean, and maybe we can come up with a system to acknowledge the fact that numbers can vary based upon the perspective of the person looking at the number. I know how I do.

Determine causes for program avoidance.

VICE-CHAIR COVELL: Could I just say one thing before we go on?

CHAIR WEISSER: Sure.

VICE-CHAIR COVELL: The fact that we're passing over that because the two folks (inaudible) aren't here really doesn't dispel the importance of this issue.

CHAIR WEISSER: Absolutely.

VICE-CHAIR COVELL: It's been an issue that has been festering in the program for a majority of the years that I've been involved on this committee. In terms of what the real number is, in terms of what the law requires it to be, what data was used to determine that number, was it realistic.

CHAIR WEISSER: Were the samples the same?

VICE-CHAIR COVELL: What is the real number that need to be directed there to get what the agency feels is required from the mandate.

And then separate from that you've got to try to somehow evaluate its effectiveness to the program, and I think you've got serious concerns and I think they're real in terms of the industry out there has invested a lot of money to test and repair vehicles, that wants to continue doing that, and they remind us every time they're up here that if they vaporize we'll run around and test vehicles but there won't be anybody to fix what's broke.

So it's clearly an issue that we've got to get a rope around, we've got to get the best data possible out there, get facts that the majority of us can live with, and proceed towards making recommendations as to how that (inaudible).

CHAIR WEISSER: Norm, I couldn't agree more with you. I think if there's one criticism that I've heard for fifteen years associated with Smog Check it's that we really don't have a test-and-repair program; we have a test program. The more resources as a society get into the repair side, the better off we are.

I've also seen data over the years comparing the effectiveness, and it always seems to change depending upon how the survey sample is broken down. Now with the Gold Shield stations and advent of slightly better, I would think, system of reporting the technical results, we might be able to make some headway.

Gideon and Norm, do you have anything you'd like to say or anyone else on the causes of program avoidance? How would you go about trying to work this?

VICE-CHAIR COVELL: It again is a frustrating aspect of what we do here, and I look at that from a couple of different perspectives and I think I've mentioned those to the committee and the group that's been in attendance at the meetings.

From an air quality control program perspective, there's lost emission reduction (inaudible). There's also lost revenue to air district programs that have the DMV surcharge in place of $4 per vehicle to fight air pollution at the local level that isn't transferred to the district to help do their job. (Inaudible) you're driving around in an unregistered vehicle. There's also lost revenue to local government in other areas (inaudible) and the like.

So there are number of perspectives, but the main reason of course is the lost emission reductions that we don't get because failed vehicles aren't repaired. I think it begins with the fact that people don't like to fail anything, and if there's a potential that the car could fail, they're going to avoid it.

There's always the mixture of issues as to whether people avoid it because they can't pass the Smog Check or they're avoiding it because they can't pay the insurance premium and have the proof of insurance on the vehicle available to them when they re-register, or whether we find a combination of a few things working together because of that portion of our

society that is forced to drive the older dirtier vehicles and don't have the money (inaudible). So I think those are the two big things out there, and rather than setting Gideon and I on a rock somewhere and survey people going by as to whether they've registered their car and if they didn't, why didn't you, I don't know how we can grasp on that one.

CHAIR WEISSER: Gideon?

MEMBER KRACOV: I think all of these, data is going to be an issue, but I certainly would think that our role, if we can work together on this and get a handle on it would be more than just determining the causes for avoidance, but also I think it calls for solutions for those that are avoiding.

CHAIR WEISSER: We have Paul and Bruce involved in the high emitter profile issues, is that a good vehicle for, no pun intended, but for identifying those cars more or less subject to emission control system failures. We spent some time talking about it, I don't think we need to go into that any further.

Lastly, we have Jude and Paul on the consumer information requirements, and Jude has done some work with you already —

MEMBER ARNEY: Yes.

CHAIR WEISSER: — in terms of (inaudible), Paul?

MEMBER HOTCHKISS: Yeah, we've talked (inaudible).

CHAIR WEISSER: I think our biggest concern or question or issue you're going to face there is money, and that's why I am seeing if we can try to press BAR and CARB to piggyback on their studies or identify other public opinion studies that we might be able to piggyback on and get some money to do these studies. We've kind of limited in terms of resources, and that might be our biggest constraint right now. I know how anxious Jude is to get some real solid information on attitudes and knowledge from the public, but in the absence of a contractor (inaudible) I don't know how we'll go about doing it other than piggybacking incremental costs onto the agencies already planned studies.

MEMBER ARNEY: Yeah, we're going to have to spend a lot of time (inaudible). I was also thinking that some of these like the program avoidance issue I think ties into this also.

CHAIR WEISSER: You did a survey.

MEMBER ARNEY: Yeah.

CHAIR WEISSER: And you said – well, I'm no survey expert.

MEMBER ARNEY: Well, that could certainly be part of a survey.

CHAIR WEISSER: Yes. John.

MEMBER HISSERICH: Well, just on that point I was thinking that before I ever got involved in this I had no idea what the difference between test and test-only was, but you know there is, at least in my very limited view, there's a sort of a taint associated with test-and-repair. People think, well, those guys, you know, they got a hand in fixing them so maybe they're not as honest as the ones that are doing testing. That's just something that you read into it, that, you know, people perceive that.

Obviously that's not the case, but the taint seems to be there and it seems to me that it would be helpful for the public to understand a little better what the roles of various entities are, and it's okay if you're not directed specifically to test-only – and I know there's a whole set of issues about that – it's okay to go to test-and-repair to get something done, but that's just something that –

CHAIR WEISSER: Well, I guess that the reason that you would do public opinion studies is to identify opportunities where public education and more effective public communications are going to help in terms of program evaluation.

MEMBER ARNEY: Yeah, well, certainly an outreach. I mean, what I've seen is that most people look at a smog test as at the very least kind of an annoyance and they just don't know, I guess, why they're doing it, why they really have to do it, what the impact is, what the goal is and what happens if they can't really comply.

CHAIR WEISSER: There are many otherwise intelligent people that I know that are ardent environmentalists until they get their Smog Check notice, and then they complain that it's not me, it's the other guy, I shouldn't have to do this.

Folks, it's 3:13. I'd like to take a seven minute break, come back at 3:20 and begin our public participation process, unless there are some further. We'll take a seven-minute break. Are there any other questions or comments people would like to make from the committee at this point in time on this? So we

have one new group set up of Jude and I, the thirty-year issues, so now we do have sweet sixteen items.

We haven't yet done, and we won't today, an assessment of relative priorities. I frankly think that would be best done after our initial public input session.

Gideon, I want to thank you for emphasizing kind of a critical path forward. Norm, you too. I think that's been very helpful. And lastly, I'm going to suggest to you that each and every committee begin to rely more heavily on Rocky Carlisle to assist in whatever it takes, scheduling of your telephone conference calls or meetings or whatever, Rocky, I will ask him to as best he can to participate in those calls. He can be our eyes and ears across all these different subcommittees and kind of keep watch on how each of us are doing and to identify and deal with coordination issues so we don't trip over each other while we're asking the agencies questions, we'll have a funnel for information requests and the like.

Gideon?

MR. CARLISLE: You're going to have to earn your money and I think (inaudible) these sweet sixteen here. I just want to, you know, when I saw the

milestones and the dates for the different responsibilities that the subcommittee members had to sort of finalize, I think they're very aggressive.

CHAIR WEISSER: You're being kind, right?

MEMBER KRACOV: Right. And I think that, you know, I think it's something we all really have to take seriously to get it done, and I think we should really focus on (inaudible) here and focus, as you say, on the priorities and the things that are really important so that we really can make good use out of this in light of the fact we really do want to try to get out a report by the end of the year, I think is quite impressive.

I think in particular the committee should start to communicate with the fellow committee members and I think begin to try to get their arms around these issues by working with Rocky on, for example, particular data sets or reports that may be relevant to each individual item on the sweet sixteen there, determine which agencies and folks are going to be important to talk to. I think unless we get moving on this we're never going to meet these milestones.

CHAIR WEISSER: I think that's an absolute key, and while I'm in Paris and London I expect great

progress to be made by each and every committee. We'll take a break now for seven minutes.

(Off the record)

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CHAIR WEISSER: Time for receiving comments from the public on items that we've discussed and haven't had a chance to talk about, or any other items the public might wish to make any comments on. Are there any people in the public that would like to make some comments? No comment? Mr. Armstrong. Larry, you have five minutes. Is there anyone else in the public that wants to make a comment? You have four minutes.

MR. ARMSTRONG: Yes, my name is Larry Armstrong. I've got just a couple of things here that I thought I'd put in. One thing, an acquaintance of mine said something to me the other day and not involved with one of our shops, but he said he got three of the CAP cars that came in that had been tested at test-only and then qualified for the CAP program. Came in, tested them, and performing no repairs whatsoever the cars passed.

Okay. So to me, that would seem like an excellent — oh, by the way, this was three in a row

from three different test-only shops, so to me that would provide some opportunity for some checking on maybe what's going on here, because we keep assuming that something coming out of a test-only situation actually works, so that to me is a place to go look. It ought to be really easy to do. If you got a qualified CAP car that gets a certificate with no repairs, you've got a candidate to go look at and see how it got there.

I would like to get access to backup information as I read this draft report. I'd like to know who wrote it, for one thing, or who wrote parts of it. There's parts in there that look like fiction to me and I'd certainly like to know who penned these things.

And also, I think you ought to be asking the question of where does — I've said this before — where does test-only get its results from? Do they get it from me and can I be worse on my own than I am by providing something that goes to the test-only? Where do they get these results from? If they can't fix any cars, where do the results come from?

CHAIR WEISSER: You mean results in terms of emission reductions?

MR. ARMSTRONG: Correct, correct. I think it was to the last committee there was presentations saying that if cars were retested at their next test, 20 percent of the time they failed the next test. I can remember that because I said that that must mean that 80 percent of them pass the next test. Now that number has now jumped to 40 percent don't pass the next test, so somewhere in there somebody's wrong by double.

And I seriously question any numbers that the regulatory agencies put out in front of me. I will tell you that there hasn't been a time that I couldn't go get the backup information and come back and tell you how the numbers were manipulated to get the answer that somebody wanted to get. And it's like every time going back to the El Monte survey where they were comparing I&M240 against ASM but they also did BAR 90 tests, and that information was jimmied. I mean, to me it's unbelievable that nobody ever calls into question some of the results that some of these agencies provide.

I would suggest to you, and I never see it done so I doubt that it's going to get done now, but I will tell you that I would be happy to testify under

oath our people that sign a smog certificate are required to say that they're under penalty of perjury they're supplying accurate information, but people that come in here and testify to you folks can tell you anything they want and they have no bones about doing it. So thank you.

CHAIR WEISSER: Hold on for a second, Larry, would you? Norm?

VICE-CHAIR COVELL: Question, Larry.

MR. ARMSTRONG: Yes, sir.

VICE-CHAIR COVELL: I don't understand exactly what you're getting at there when you talked about previous committee, previous report and this doubling. Are you talking about the previous evaluation that was done of the program compared to this evaluation that's out in draft form now?

MR. ARMSTRONG: I can't remember exactly when it was, but it was information that was presented to the I&M Review Committee by the contractor and they said that 20 percent of the time that the vehicle did not pass the next smog test. Now we're being told that 40 percent of the time that the vehicle doesn't pass the next smog test.

I brought up a brochure that was handed out here that said that there was an increase of 30 tons going to be in the Bay Area from enhancing the program in the Bay Area. That's a total of 77, so I figure they're figuring 47 and a gain of 30. Now I look in the report and it says that it's more than double. How do you get to more than double going from 47 to 77? So just numbers, I would like to see numbers that make sense, numbers that were based on fact and not numbers based on where somebody wanted to go.

CHAIR WEISSER: Larry, what I'm going to ask you to do is to, as best you can, write these questions in an email that you think would be desirable to explore and send them to Rocky. He will distribute them to us as part of our review and we'll see which ones of the subcommittees are interested in pursuing that.

MR. ARMSTRONG: I did send last month at your request I sent something in. Have you had a chance to review that?

CHAIR WEISSER: No.

MR. ARMSTRONG: No.

CHAIR WEISSER: But we will.

MR. ARMSTRONG: Okay. I'll get right on it, then.

CHAIR WEISSER: Thank you, Larry. Sir, please.

MR. WILTSE: My name is Jack Wiltse and I'm with the Association of California Car Clubs. As we approach public hearings on the activities of IMRC, we would hope that the committee be an advocate for the general public rather than a rubber stamp for BAR and CARB. Many of us consider that BAR and CARB as a giant unelected bureaucracy with inordinate power over the citizens of the state. IMRC should be perceived as a check and balance to the power of the state.

We're encouraged that you will again examine the repeal of the rolling 30-year exemption. We oppose any repeal of SB42, which was enacted in 1997. We consider it the magna carte for the collector and the classic car.

We appreciate your efforts on behalf of the citizens and we would hope that we could continue to have confidence in your works and that it would be a benefit to the common citizen like myself. I think you understand what I'm saying.

We hope that you're independent and that you're not overly influenced by the magnificent slide shows and statistics of the state. Thank you.

CHAIR WEISSER: Thank you very much. Would you give your contact information to Lynn over there so we can spell your name right and know where to get in contact with you?

You know, I will say that the committee members that I've worked with for the year and a half, you don't have to worry about these guys being independent from BAR and CARB. They are.

Data source, identification of data, reviewing that data, that's always a difficult challenge for basically a volunteer group such as this, but people here have shown a commitment to give up a good part of their work life and in some cases a good part of their personal life in order to try to meet the responsibilities that we have.

I will assure you that it will be an independent review that this program will receive. The interests in this program, frankly, are not to preserve any of the bureaucracies, they're not to preserve any of the business stakeholders; they're to try to identify opportunities for least cost emission

reductions. And frankly, the chips will have to fall where they may in terms of bureaucracies and the economy and the folks that play important parts in both of those institutions toward the achievement of clean air. But if we have one mantra, it's cost-effective emission reductions. Thank you.

Are there any other comments from the audience? Mr. Peters, please.

MR. PETERS: I'm Charlie Peters, Clean Air Performance Professionals. I was outside so I don't really know what this comment opportunity is. Is this public comment?

CHAIR WEISSER: Yes, it is.

MR. PETERS: Okay. I have provided you a document, and probably a significant portion of that is an issue that the committee doesn't tend to address, and that's the issue of oxygenates in gasoline, but that is a significant portion of the document provided you today. But the reason that I have incorporated that, just for your information and not necessarily for your comment, is that this is a fairly significant issue to the State of California right now with the Governor taking a position, CARB taking a position. The first item in here is a piece

from the Clean Air Trust, and the CARB website is at the bottom of that, and this seems to be quite a concern to most of the stakeholders and government in California.

There was a joint resolution that went to the first committee yesterday and passed that unanimously with the thought in mind that this might significantly reduce our cost of fuel as well as the environmental impact of our gasoline.

When this issue was first brought to my attention, which was back about 1990/91, I chose not to address it but I was very involved in it, and found that it was ridiculous to me that we're changing air/fuel mixture on cars to try and improve their environmental impact when I felt that these oxygenates tended to degrade emission systems over time and the car that was broken was badly broken, particularly at that time, and when you added in the degradation process it made absolutely no sense to me at all that we're trying to clean up the air by changing air/fuel mixture, by changing the engineering of the car by adding oxygenates, it made no sense.

At this time it's been an interesting trail but it seems as though a very significant population

including every legislator in Washington, D.C. with maybe one exception and virtually all the stakeholders in California seem to be interested in this relief from the oxygenate requirement that I believe will make a significant improvement in the fleet emissions, which is effecting at least the issue that the committee is addressing.

Another item in here that I have not brought to the committee's attention but I will is that there's a letter here to the chief concerning, to the acting chief Mr. Goldstene concerning the status of a Mr. Cruz, and we'd very much appreciate your awareness and any suggestions that you might have in that regard.

CHAIR WEISSER: Thank you, Mr. Peters. You have a question, Mr. Covell?

VICE-CHAIR COVELL: Yes, I do. Charlie, so in addition to this being general information for this committee, the nexus between the oxygenate issue in fuel and our role which is to recommend improvements to the Smog Check Program I guess are two arenas. Number one, the repair industry is called upon to (inaudible) fuel ratio to improve the performance of the car (inaudible) oxygenates in the gasoline is an

issue, and I think I heard you say that there is a distinct connection between oxygenates in the fuel and the degeneration of the emission control system; am I characterizing that right?

MR. PETERS: That's my opinion, Mr. Covell. It is my opinion that — as a matter of fact, I went to a car show yesterday — excuse me, Sunday, and there was a guy there that had the 1910 et cetera standalone engines and little poppers that went on and so on, this guy had some really dynamite ones and I brought up this issue and he happened to have been a front line mechanic in probably the best car as far as quality et cetera sold in California, and I brought up the issue of the oxygenates and ethanol and he said that is a huge problem. There's a guy working on the line every day for a major manufacturer instantly indicating that that was a very serious maintenance problem generated from the use of ethanol gasoline.

So we have a very strong opinion that that is a significant factor in the emissions that the cars produce as well as the degradation of the cars in service.

CHAIR WEISSER: Thank you, Mr. Peters. I want to thank you on behalf of the committee for

providing this information (inaudible) it's helpful. I will note that when the oxygen waiver first became an issue in recent times, which is two and a half years ago, that prior to even this Governor or the past Governor requesting the waiver, a group of businesses and environmentalists came together to request an oxygen waiver because of two reasons. First, it seemed unnecessary in terms of performance of reformulated gasoline to provide the emission reductions. And secondly, because of its impact on our fuel supplies.

The more boutique California gasolines are, the less easy it is for refineries to formulate sufficient quantities for California motorists.

Frankly, I think what we're faced with is a political initiative on the part of mid-western corn farmers, large mid-western corn farmers, to push product to California that we neither desire nor need, and it's hopeful that the Bush Administration, particularly with recent statements from Secretary of Energy Abraham, that there is a new opening for reconsideration of California's request for a waiver. We'll find out. We have a Governor now with much

cache in D.C., not just in California, who is on the side of (inaudible) in the American way of life.

MR. PETERS: I would like to comment to that, Mr. Chairman, if I might. Right early on in this document is a proposed resolution, not the one that's being considered, but a proposed that generated out of a meeting that I had in the capitol about two weeks ago, and in the left column in this two-column piece which generated out of a 1999 significant press release, one of the significant supporters of the relief from the oxygenate requirement is the California Council for Environmental and Economic Balance, and I insisted on that being put in there. That's not being considered by the Legislature but I certainly salute you that I absolutely agree with your organization's efforts to get that relief.

CHAIR WEISSER: Thank you. Any further public comments? Bruce?

VICE-CHAIR COVELL: I think we've got the Smog Check people here from CARB. Are you guys able to speak any to this oxygenate issue? As I understand the opposition (inaudible) is basically the increased ozone forming (inaudible) of this gasoline. And in the face of our reformulation of gas and the good job

we feel we've done, that to meet the federal mandate for this oxygenate inclusion enhances the ozone formation potential of the gas (inaudible) vapor pressure or something there. And I haven't heard what Charlie's talking about there, but it sounds like there is a potential for exacerbating the problem of Smog Check if in fact this oxygenate persists.

MR. PANSON: I'm not an expert on the issue, but I can say a few things. Yes, we contend that the oxygen mandate will result in forgone potential emission reductions that if we had more flexibility we could realize through our fuels program. The specific issue that Charlie raised, I'm not an expert on so, I'm sorry, but I can't comment on that.

MR. PETERS: Norm, the first page there has the CARB website.

CHAIR WEISSER: Sorry Charlie. Thank you.

MR. PETERS: About 400 pages of information.

CHAIR WEISSER: Larry, do you have one more comment that you'd like to make and then we'll close this meeting.

MR. ARMSTRONG: Yes, thank you. My name again is Larry Armstrong. I would like to address just for a moment item number five that's comparing

effectiveness, because it seems to me that the concept of what we're worrying about is being spun around a little bit so that my concerns are not being met.

The SIP right now is talking about 36 percent of the vehicles going to test-only, which is I've explained to you folks how that's 50 percent and Mr. Amlin confirmed that in the last meeting.

The problem for me is that it's my understanding that that 36 percent was generated by a report that was done by Mr. Klausmeyer (phonetic) way back and it was done based on an arbitrary 50 percent discount that had been installed into the parameters that the Smog Check Program was supposed to work on. That 50 percent was taken out by congress in the Highway Act of 1995, as I understand it. The State of California has no reason to have to do 36 percent of anything. And the fact of the matter is that the 36 percent was generated by the 50 percent discount, it was never generated by any need or any performance that anybody could actually go point to.

In fact, at the time things were the exact reverse. The feds were pointing to Arizona as being the gold standard that state's ought to be going to in their test-only program, and at that point in time the

initials fails in Arizona had hydrocarbons twice the initial fails in California, so that the cars going in for a smog test were twice as dirty in Arizona as they were in California.

At the same time, in Arizona, I believe it was Arizona that in the federal roadside study the effect of tampering was over twice as great as they found in California.

So what we've done is we've gone about attempting to destroy what was the best Smog Check Program in the world and we're aiding and abetting by not going to the bottom of these things and asking the questions. That seems to me to be a simple question. If somebody says we have to send 36 percent of something somewhere, I guess I never grew up because I ask why, and if the answer to why is that the reason we're doing it is based on nonsense, then maybe we ought to go look at the nonsense and go fix it. Thank you.

CHAIR WEISSER: Thank you, Larry. Any last comments on the part of the committee? Mr. Hotchkiss.

MEMBER HOTCHKISS: This is kind of off topic. (Inaudible) On May 6th and 7th I am involved in a Ford AAA National Student Skills Challenge. It

is what started off many, many years ago as the Plymouth (inaudible) contest, and now Ford's taken over.

In California there are two contests done simultaneously, one in northern California, one in southern California. I believe the one in L.A. is done at the coliseum and in northern California it's at Black Hawk (inaudible) museum. It is high school seniors who this year in northern California we're down to ten two-man teams who attempt to fix rigged vehicles. All the vehicles are the same, they all have exactly the same faults in them. There's a ninety-minute time line.

Generally the teams fix the vehicles in less than twenty minutes. They may have no demerits, which means everything has to be put back as it came in. It is the training ground, while we're here talking about what a test-only or test-and-repair, who does the best job, if we don't train people to fix cars, nobody's going to be doing the job. This is one of the training grounds to get young people involved in automotive repair (inaudible).

It is down to ten teams this year. There was fifteen last year in northern California. More

and more high schools (inaudible) auto tech programs. Community colleges are also facing reductions in that. There are people out there who are really, really concerned about automotive repair and where it's going in the future.

This is something I support. I would urge anyone to come out. The contest is the morning of the 7th at Black Hawk in northern California. I urge anyone to come out and watch it. It is an incredible show to watch these kids work and fix all the problems on the car and fix it right. I've been doing it for thirteen years. I just thought I'd throw that out.

CHAIR WEISSER: I'm quite pleased that you did, Bruce. Thank you very much.

Any further comments gentlemen? You know, I only wish that Dennis was here to hear that. Dennis has such an abiding commitment to attempt to improve the education and benefits associated with getting into this industry, and I wish he were here.

I will entertain a motion to adjourn.

MEMBER ARNEY: I move.

CHAIR WEISSER: Mr. Arney so moves and Mr. Kracov seconds. All in favor?

IN UNISON: Aye.

CHAIR WEISSER: Any opposed? Hearing none, we're adjourned.

(Meeting Adjourned)

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Dated May 5, 2004.

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TERRI HARPER, Lead Transcriber